

Over Critic

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## Gingrich Cool on Bid To Cut Deal For Clinton

*Upcoming Election Has Become a Factor, Democrats Maintain*

By Brian Knowlton  
*International Herald Tribune*

WASHINGTON — Representative Newt Gingrich, speaker of the House, on Wednesday dismissed growing pressure from the White House for a congressional agreement with President Bill Clinton that would avoid an impeachment inquiry.

To cut short the House investigation of the Monica Lewinsky matter, the Georgia Republican said, "puts the cart before the horse."

"I don't understand how people can rush to a solution before they finish the investigation," Mr. Gingrich said. "There's an awful lot of evidence that hasn't been gathered yet. People need to allow the process to go forward in an orderly manner and not assume that they know what the final outcome will be either way."

But the White House, seemingly emboldened by signs of continued public support for Mr. Clinton after the broadcast of his taped grand jury testimony, squarely blamed Mr. Gingrich for prolonging the congressional process.

The fact that this matter is now going to drag on and on endlessly has to be laid at the foot of Speaker Gingrich," said the White House spokesman, Michael McCurry.

The president had deployed aides to Capitol Hill to encourage Democrats and Republicans to coalesce around an agreement, and Mr. McCurry confirmed that Mr. Clinton had spoken to several members of Congress about a possible negotiated outcome to the eight-month-old crisis.

Other Democratic figures, including a former White House chief of staff, Leon Panetta, were continuing to explore and promote the idea of some sort of punishment for Mr. Clinton short of impeachment.

There are few deadlines dictating how the House proceeds in considering the allegations that Mr. Clinton committed perjury, obstructed justice and abused power in connection with his relationship with Ms. Lewinsky.

But one inescapable date looms on the calendar: Nov. 3, when midterm legislative elections will be held across the United States. That date appears to be infusing the rhetoric on both sides with new urgency and determination.

The House Democratic leader, Representative Richard Gephardt of Missouri, suggested that electoral considerations were motivating some Republicans to drag out the process. He called on the House to act expeditiously and conclude its responsibilities in the matter in 30 to 60 days.

"For the sake of the country and in the interests of limiting the exposure of our children to this kind of detail in an atmosphere of wall-to-wall media coverage, this needs to be dealt with with due process and justice but also deliberate speed," Mr. Gephardt said.

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Mr. Gephardt, left, Mr. Gingrich and Mr. Clinton applauding Nelson Mandela at the U.S. Capitol on Wednesday.

## 'Grand Coalition' for Germany?

*In a Tight Campaign, Even Kohl Appears to Accept Possibility*

By John Vinocur  
*International Herald Tribune*

HAMBURG — The German election on Sunday is now so close and its outcome so uncertain that both leading parties are acknowledging a variety of possible results — even a Grand Coalition without Helmut Kohl or Gerhard Schroeder as the new chancellor.

All the country's major polling organizations point to the Social Democrats (SPD) and Mr. Schroeder as the leading vote-getters. But the progress of Mr. Kohl's Christian Democrats (CDU) in narrowing the gap to a few points, an undecided pool of between

20 to 30 percent of the electorate, and the uncertain performance of three smaller parties make the race one of the most wide-open in Germany's postwar history.

The campaign has gone from a situation in June where Mr. Schroeder held leads in the polls of more than 10 points, and was regarded as a virtually certain winner, to one in which at least four different types of government could emerge: a re-elected right-of-center coalition of Christian Democrats and Free Democrats led by Mr. Kohl, a left grouping of Social Democrats and Greens with Mr. Schroeder as chancellor, a Grand Coalition of the two major parties led by Mr.

Schroeder, or the same Grand Coalition with Wolfgang Schaeuble, the Christian Democratic parliamentary leader and designated successor to Mr. Kohl, as the likely new chancellor.

The Christian Democrats now contend they have succeeded in erasing the notion that voting for Mr. Kohl amounts to backing a loser, and that the momentum they have created in the last weeks makes the CDU the more likely choice of the undecided. One CDU candidate, who asked not be identified, said the party had indications it would win at least 35 percent of the still undecided vote in what he

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## Everything Is Over,' as Philippine Airlines Shuts Down

*Owner and Union Can't Agree on Saving Carrier*

By Don Kirk  
*International Herald Tribune*

Philippine Airlines, the oldest carrier in Asia, went out of business at midnight Wednesday after 11th-hour talks mediated by the government failed to resolve differences between the Philippines' richest man and its toughest labor union.

Still brandishing its slogan, "Asia's sunniest airline," Philippine Airlines Inc. flew its final outbound flight into the sunset over Manila Bay in a farewell to a nation it had first served more than a half-century ago, before the Japanese conquest of the Philippines at the outset of World War II.

As the midnight deadline in the negotiations to save the airline approached, the enormity of the consequences of ending a service that

seemed essential to binding the Philippines' 8,000 islands and scores of linguistic and cultural groupings began to grip the nation. Television networks broadcast live reports from Ninoy Aquino Airport, serving Manila, and officials talked of "emergency" plans to hold the country together.

The impression was that nothing could adequately replace the airline that flew, with tremendous financial losses, not merely to other major destinations but to dozens of provincial capitals that now would have to rely on slow-moving ferry boats as their only links to the rest of the country.

President Joseph Estrada admitted failure in his efforts to bring Lucio Tan, the self-made billionaire who controlled the carrier, to terms with leaders of the



See AIRLINE, Page 7

A janitor mopping up Wednesday as the flag carrier neared shutdown.

the health of the American economy, not as a direct response to events overseas.

"Even though we at the FOMC find the events in the rest of the world to be of crucial importance to us, it is because they are important to the U.S. economy that we are evaluating them at such level of detail," the central banker said.

The Federal Reserve's monetary policy "will be related to what is going on in our economy in our country," he added.

Last summer, economies across Asia began to crumble as investors feared they had poured too much money into the economies of Southeast Asia, which had been expanding rapidly for most of the decade.

When the flood of foreign capital dried up, owners of unprofitable projects in the affected countries were unable to pay their debts, setting off a chain of bankruptcies that further reduced the availability of foreign investment.

"The most recent more virulent phase of the crisis has infected our markets as well," Mr. Greenspan said Wednesday. "Concerns about business profits and a general pulling back from risk-taking in the midst of great uncertainty around the globe have driven down stock prices and pushed up rates on the bonds of lower-rated borrowers."

But the central bank chairman, as he often does, qualified his statement, saying there was "little evidence to date" that "foreign problems or the tightening in financial conditions in domestic markets have produced any significant underlying weakness in the American economy as a whole."

Still, he continued, "the restraining effects of recent developments on the U.S. economy are likely to intensify." Disappointing corporate profits in some industries, notably manufacturing, suggests "some stretching out of capital investment plans in the months ahead."

When companies slow their expansion plans, they reduce hiring and purchasing of new equipment, exerting downward pressure on economic growth. Mr. Greenspan noted that falling stock prices and rising financing costs for low-rated borrowers could depress spending by households and businesses.

In July, Mr. Greenspan told the Senate Banking Committee that inflation was a

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## Lewinsky Case's Low Point

*First Starr Confrontation Was Harsh, Critics Say*

By Michael Grunwald  
*Washington Post Service*

WASHINGTON — The first time Monica Lewinsky met with Kenneth Starr's team of investigators, on Jan. 16, she told them she would like some bottled water.

They gave her some. She said she wanted them to turn off the air-conditioning. They did.

She said she would like some aspirin. Again, no problem.

"She said she wanted to go to the rest room. They let her go, of course.

She even said she wanted to go shopping while she was waiting for her mother to come from New York. So Michael Ermick of the Starr team escorted her around Pentagon City Mall.

But there was something else that Ms. Lewinsky said she wanted, on that day in January, after FBI agents surprised her on her way to lunch with Linda

Tripp, her White House and Pentagon co-worker, and whisked her to the Ritz-Carlton Hotel to talk about cooperating in an investigation of President Bill Clinton.

She said she wanted to call her lawyer, Francis Carter. On that request Mr. Starr's office was not so accommodating.

With the release of Ms. Lewinsky's emotional grand jury testimony as well as Mr. Starr's records of the 12-hour meeting at the hotel, the independent counsel's critics are pointing to the meeting as a stark example at least of overzealousness, if not actual misconduct.

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## AGENDA

### U.S.-Bound Hurricane Kills 10 in Haiti

A hurricane killed at least 10 people Wednesday as it swept across Haiti on a northwestern course toward South Florida.

South Florida was under a hurricane watch with 100,000 people ordered to leave the Florida Keys, while warnings were declared in Cuba from Sancti Spiritus Province eastward and in the central and southern Bahamas.

The storm, designated George,

caught the capital of the Dominican Republic, Santo Domingo, on the south coast, almost entirely unprepared Tuesday. It caused the deaths of at least 12 people and set off looting and street violence. Page 2.

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NIGERIA: A FRESH START  
The IHT on-line www.iht.com

### Sosa Reaches No. 65

Sammy Sosa hit home runs No. 64 and No. 65 on Wednesday to tie Mark McGwire for the major-league baseball record.

The Chicago Cubs' slugger snapped an 0-for-21 slump with a bases-empty shot to right field with one out in the fifth against the Brewers in Milwaukee. Sosa had not gotten a hit and had struck out eight times since hitting No. 63, a grand slam, on Sept. 16 in San Diego. (Page 26)

## Malaysia Police Question Wife of Jailed Dissident

By Thomas Fuller  
*International Herald Tribune*

KUALA LUMPUR — Malaysian police Wednesday questioned the wife of the ousted deputy prime minister and tightened restrictions on the country's month-old opposition movement, banning further political rallies.

Azizah Ismail, wife of Anwar Ibrahim, now under arrest, was asked about statements she made this week, including comments on a regional television network in which she raised the possibility that Mr. Anwar would be injected with the HIV virus. Police said the comment was seditious.

Miss Azizah announced earlier in the

week — after her husband's arrest on Sunday — that she would lead the opposition movement that Mr. Anwar started after being dismissed as deputy prime minister and finance minister on Sept. 2.

But with a heavy police presence around her house and the ban on rallies, the prospects of a continuing challenge to the 17-year rule of Prime Minister Mahathir bin Mohamad seem dim.

Outside a courthouse where Miss Azizah made a brief appearance Wednesday, a man who shouted "reformasi!" (reform) as she walked past was handcuffed and hauled away by plainclothes policemen.

In Kuala Lumpur on Wednesday, the streets of the city were calm, a contrast to Sunday, when Mr. Anwar led the largest demonstration in the city's history. Those protests were followed by clashes with police on Monday and the arrest of Mr. Anwar's closest political allies.

So far, more than 130 people have been arrested for disturbances related to Mr. Anwar. Two of his aides were ordered released by the courts this week, despite police applications to extend their detention. Mohamad Ahmad, released Wednesday, and Azmin Ali, released Tuesday, were private secretaries to Mr. Anwar.

For two weeks before his imprisonment, Mr. Anwar, 51, had toured the country speaking to large crowds about the need for reform with little police interference.

With the announcement Wednesday,

See MALAYSIA, Page 7

## In Siberia, Lebed Attempts to Make Inflation Illegal

By Michael R. Gordon  
*New York Times Service*

KRASNOYARSK, Russia — With the stoicism that typifies the hardy inhabitants of this Siberian territory, Nina Popova thought she could ride out the economic storm.

But last week, tax inspectors barged into her small food shop. After poring through her ledgers, they warned that she had violated Governor Alexander Lebed's new "anti-crisis" decree.

"They said we can only charge 10 percent more than we pay for the food," she said. "But we have to pay for electricity and heat. We have to pay for security, and we have to pay salaries. If they force this decree on us we simply won't survive."

Russia's financial crisis has not only rocked Moscow's political establishment. It has also stirred many of Russia's far-flung regions to set their own economic course and establish price controls.

Mr. Lebed, a former general, a future presidential hopeful and the new governor of this vast Siberian region, has led the charge.

Angry at the soaring prices that have stunned Russia, the powerful governor has not just declared war on inflation. He has tried to make it illegal.

He is hardly alone. From the city of Novgorod, northwest of Moscow, to the Siberian territory of Yakutia, the authorities are taking a page out of the socialist playbook and intervening to set prices.

Russia is fast becoming a crazy quilt of zones with

Draconian price controls, territories with milder price

restrictions and regions with no controls at all.

The populist decrees have brought a measure of comfort to consumers shocked by sharp jumps in prices for food and medicine.

"We may infringe on the rights of people but it is in their interest," Mr. Lebed said in an interview. "The strict measures have played their role and soon will be abolished."

But the stop-gap controls also contain the seeds of new problems.

Stores and factories complain they are being denied the profit they need to weather Russia's raging economic storm. Shortages have emerged, as producers ship their goods to places where prices are unres-

ponsive.

Newstand Prices  
Bahrain ..... 1,000 BD Malta ..... 55 c  
Cyprus ..... C 1.00 Nigeria ..... 1200 Naira  
Denmark ..... 14.00 DK Oman ..... 1,250 ORF  
Finland ..... 12.00 FM Qatar ..... 10.00 CRF  
Gibraltar ..... £ 0.85 Rep. Ireland ..... £ 1.00  
Great Britain ..... £ 0.90 Saudi Arabia ..... 10 SR  
Egypt ..... £ 5.50 S. Africa ..... R12 + VAT  
Jordan ..... 1,250 JD U.A.E. ..... 10.00 Dh  
Kenya ..... K Sh. 160 U.S. Mil. (Eur.) ..... \$ 1.20  
Kuwait ..... 700 Fils Zimbabwe ..... Zm 540.00

**Anti-Rabies Law / 6 Months in Solitary Confinement****British Pet Owners Pick Exile Over Quarantine**By Sarah Lyall  
New York Times Service

**F**UENGIROLA, Spain — Like many of the British expatriates scattered around southern Spain, Cecilia Riber and her husband moved to this coastal town when they retired, drawn in its warm climate and relaxed way of life. But Riber died six years ago, and now, after 15 years away from home, Mrs. Riber is ready to go back.

"Basically, my family is starting to worry that I'm on my own here, and I'm not getting any younger," she said.

But as eager as she is to return to England, Mrs. Riber, 68, is one of a number of displaced Britons here and around Western Europe who are caught in a strange sort of limbo, one that has forced them to weigh love of country against love of animals.

Under the 77-year-old British rabies law, if Mrs. Riber took her mixed-breed hound, Scruffy, back to England with her, he would be required to spend six months in quarantine, serving his time in solitary confinement in one of the 80 or so kennels licensed by the British government. He would not be allowed to play with other dogs. He would not be allowed to go for walks. And, Mrs. Riber says, she just will not do it to him.

"I know I can't go back to England because he wouldn't be able to survive in a kennel for six months," Mrs. Riber said of Scruffy, who is no youngster himself, nearing 13 and suffering from an enlarged heart that has left him short of breath and slow on his feet. "He's very important to me, particularly as I'm on my own now. And that's why I'm staying here. I won't leave him. I can't leave him."

There are people like Mrs. Riber all over southern Spain, in France, in the Netherlands, in Switzerland. The painter David Hockney and the actor Rupert Everett, who are both British and live abroad, have refused to move back to England because of the rabies laws.

Probably the most famous anti-quarantine campaigner is Christopher Patten, the last British governor in Hong Kong, who moved back to London last year but left his beloved Norfolk terriers, Whisky and Soda, with dog-loving friends in France.

The quarantine law, which applies to all domestic mammals, dates from a time when rabies was a serious problem. But now, with the disease eradicated in some parts of the world or kept low by vaccinations in others, anti-quarantine campaigners say it is time for Britain to scrap its law. They are bitterly opposed by the country's \$14.5 million-a-year quarantine kennel industry, which argues that it would be foolish to change a law that has been so apparently successful (and so lucrative).

There are signs that years of anti-quarantine agitation, from people both within and outside Britain, are finally, slowly paying off.

But even if the government accepts the need for change, it will probably



Nicolas Asua/International Herald Tribune

**U.K. Plans to Limit Isolation With 'Passport' Chip Implants**

Agence France-Presse

**L**ONDON — The British government unveiled plans Wednesday to relax its quarantine law, which has been condemned as cruel for requiring all pets entering the country to spend six months in isolation.

The junior agriculture minister, Nick Brown, said the government remained determined to keep the rabies virus out of Britain. But it was proposing a high-tech "pet passport" program, which would allow pets entering Britain from Western Europe and other low-risk regions, such as New Zealand and Australia, to avoid quarantine.

The proposals are contained in a report published by an independent task force that sought a way to ease the strict quarantine laws without putting the country at risk from rabies.

Mr. Brown said in a BBC radio interview that the government would consult experts and animal rights groups before amending the quarantine period.

Under the proposed program, a microchip would be inserted under the skin of each pet so it could be identified by an electronic scanner at ports and airports to ensure it had received an anti-rabies vaccination.

Animals would also have to be deloused, and owners would have to produce certificates to prove the pet had been checked by a veterinarian no more than 24 hours before entering Britain.

"If it works the same as our passports," he said, "it's going to be pretty feeble."

"Just flashing a document in a long queue of people coming into the country is no check at all," he told BBC Radio.

But he added: "The instance of rabies in pets in Western Europe is virtually nonexistent."

An Agriculture Ministry spokesman said that although the consultation should end by the end of the year, the new measures will take at least three years to introduce because of the need for legislation and a lengthy implementation period.

Quarantine will be maintained for animals coming from higher-risk areas, notably Eastern Europe, the United States, South America, Africa and parts of Asia.

The quarantine rule has come under increasing pressure from animal-lovers who say rabies-control techniques have made quarantine needless. About 100 animals die each year in quarantine kennels, according to animal rights groups.

The passport system is also expected to be cheaper, costing about £300 to £400 (\$500 to \$670), compared with at least £1,500 to keep a dog in solitary confinement for six months.

The Royal Society for the Protection of Animals backed the proposals, with a spokesman saying they would be "more effective and more humane than the current quarantine system."

But the president of the British Veterinary Association, Ted Chandler, said they might not keep rabies out.

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be at least a year before anything actually happens, said a spokesman for the Ministry of Agriculture, Fisheries and Food, which administers the law. Until then, people like Mrs. Riber are simply waiting.

"My life is on hold," said Mrs. Riber, who sold her house and rented a temporary apartment recently. "I'm leaving the minute the regulation is changed."

**U**p in the hill town of Alhaurin el Grande, Elizabeth Collins put it a different way. "I'll wait until he dies," she said, speaking of her dog, Sam, "or, I guess, until the law changes."

Sam, a mixed-breed dog with a strong suggestion of German shepherd, is ill and probably does not have much more than a year to live anyway, said Mrs. Collins, whose husband died recently and who wants to go home to England.

"My daughter thinks I'm being sentimental, that a dog's a dog and I should just have him put down."

"But I say: 'Sam's my friend. I wouldn't do that to him.'"

In desperation, more and more people are turning to smuggling to skirt the quarantine law. Some conceal their pets in bags or boxes and sneak them through the Channel Tunnel. Others pay professional smugglers upward of several thousand dollars to bring the animals in by boat or truck.

"It's surprisingly easy," said Peter Harrison, a British writer and kennel operator here in Spain. By way of testing the system, he recently flew to London carrying a box stamped "Live Animals," which he occasionally opened and put in food. No one stopped him.

While up to 10,000 dogs and cats are smuggled into Britain each year, according to one estimate, many people are reluctant to use the method.

John Nicholson said he would be afraid for the safety of Bella, his Staffordshire bull terrier. He loves Bella so much that when he and his wife had a baby "the opinion was that if Bella didn't get on with the baby, then the baby was going."

"You do know what kind of trauma she could go through," said Mr. Nicholson, who runs a laundry business in a tourist enclave in El Faro. "They can take them and just drop them in a hole somewhere."

Marie Dixon, a Briton who runs a poolside bar with her husband, Bill, in the coastal town of Benalmadena, said of Major, her 14-year-old retriever: "Let's put it this way — I'd be in a mental institution if anything happened to him." The Dixons have vowed never to put Major back in quarantine after a traumatic stay a decade ago when he came out emaciated and depressed, his spirit subdued by the experience.

So they remain in Spain, their dog having won out over their home country. "Look at it from his point of view," Mrs. Dixon said. "Six months of a dog's life is a long time. You're putting him in prison for three and a half years, in his terms, and he's doing nothing."

**Hurricane Lashes Haiti On Its March Toward U.S.****100,000 in Florida Keys Told to Flee to Mainland**

The Associated Press

**P**ORT-AU-PRINCE, Haiti — The violent winds and rains of the hurricane designated Georges struck Haiti on Wednesday, unleashing flash floods and killing at least 10 people in the impoverished Caribbean country.

As Georges marched relentlessly to the northwest, a hurricane watch was posted for South Florida. As many as 100,000 people in the Florida Keys were ordered to leave for the mainland.

The hurricane's unofficial death toll was 37, including 12 in the Dominican Republic, where Georges set off looting and street violence. Two of the dead were looters shot by the police.

Radio Metropole in Haiti reported that nine people were killed when floodwaters collapsed two homes in a Port-au-Prince neighborhood. A 10th death was reported in the coastal town of Gonav.

Elsewhere, battering ocean waves swamped the seaside boulevard in the northern Haitian city of Cap-Haitien, and tin roofs flew off homes.

The Haitian government had been able to muster only \$130,000 for emergency assistance, said a civil defense spokeswoman, Yolaine Surenna.

Mountain erosion and a lack of maintenance have left drainage systems in Haitian cities choked with silt and unable to alleviate flash floods, said Reman Jean-Louis, a meteorologist.

Ernest Wilson, an environmentalist in Haiti, said Wednesday: "Foundations give way every time the rain falls. The environment is deteriorating ceaselessly because there is no government enforcement of zoning regulations."

In November 1994, the tropical storm designated Gordon killed at least 1,000 in Haiti's southern provinces, drowning them in torrential streams or burying them in mudslides.

Warnings were declared in Cuba from Sancti Spiritus province eastward and in the central and southern Bahamas. President Fidel Castro put his ministers on alert.

"No one will be forgotten in this new battle by the Cuban people," Mexico's official Notimex news agency quoted Mr. Castro as saying. "We are a nation that has overcome adversity with unity."

Georges caught the capital of the Dominican Republic, Santo Domingo, on the south coast, almost entirely unprepared Tuesday. Forecasters had expected the storm to hit the northern Dominican coast, in Santo Domingo, looters waded waist-deep in water, bancing televisions and air-conditioners.



Colin Smith/Reuters

A Miami resident stocking up Wednesday as the hurricane neared.

on their heads even as winds of 110 miles an hour (175 kilometers an hour) toppled trees and crushed houses. Bands of youths with machetes and pistols roamed the streets.

Authorities said 80 percent of the roads in Santo Domingo were impassable because of downed trees and power lines and widespread flooding.

In Florida, the hurricane watch included Monroe, Miami-Dade, Broward and Collier counties.

The evacuation began in the lower Florida Keys at 7 A.M. and was to move up the island chain in phases. A single highway connects the 110-mile ribbon of islands, and officials were worried about gridlock as people tried to leave.

"They want to move people who are the farthest away first," said Barbara Doran, of Florida's state emergency management office.

The hurricane was on a trajectory that could send it crashing into the Keys by late Thursday or early Friday.

Georges' winds dropped from 110 miles an hour Tuesday to 75 miles an hour Wednesday as it moved across the island of Hispaniola, but were expected to strengthen over open water.

In Puerto Rico, where damages are expected to amount to hundreds of millions of dollars, residents began the task of recovery.

"After the storm is always the worst," said Paula Aponte Figueroa, 71, as she swatted at mosquitoes, the roof of her house tipped off by the winds. "You've got flooding, you've got mosquitoes and I have nowhere to go."

**49 Killed in Heavy Fighting In Lesotho's Lawless Capital**

Reuters

**M**OSISILI, who said his government had lost control of the army.

But the operation backfired, turning a simmering conflict with five casualties over seven weeks into an urban war between supporters of the Maseru government and soldiers and political parties demanding its resignation.

Shots from small arms and rifles crackled through the streets all morning as looters played cat-and-mouse with the police and soldiers.

Rioters burned and wrecked shops and offices, and garbage was strewn across the streets in the city center.

Foreign Minister Tom Thabane said in an interview that the destruction wrought by opposition party supporters after seven weeks of anti-government protests would delay peace talks.

"They have burned the city," he said. "They have burned people's houses. The way to go now is to look at their criminality."

"I don't see how we can sit at a table with those criminals."

South Africa and Botswana sent troops and equipment into Lesotho on Tuesday in response to an appeal for help from Prime Minister Pakalitha Mosisili.

The South African National Defense Force said in a statement in Pretoria that nine of its men had been killed and estimated losses among the Lesotho Defense Force dissidents at about 40 by early Wednesday.

The South African forces said they had gained control of two military bases, the grounds of King Letsie III's palace, the city center and the Kartsa Dam construction project.

**WEATHER**

Forecast for Friday through Sunday, as provided by AccuWeather.



AccuWeather.com

**Asia**

Today	High	Low	Wind
CIF	CIF	CIF	CIF
Almaty	80°	68°	NW 10-15
Bali	80°	70°	SW 10-15
Bangkok	84°	74°	SE 10-15
Beijing	84°	74°	SW 10-15
Bontoc	80°	70°	SW 10-15
Calcutta	84°	74°	SW 10-15
Chennai/Madras	84°	74°	SW 10-15
Colombo/Mal	84°	74°	SW 10-15
Delhi	84°	74°	SW 10-15
Ho Chi Minh	84°	74°	SW 10-15
Hong Kong	84°	74°	SW 10-15
Istanbul	84°	74°	SW 10-15
Kuala Lumpur	84°	74°	SW 10-15
Kumamoto	84°	74°	SW 10-15
Manila	84°	74°	SW 10-15
Manila/Davao	84°	74°	SW 10-15
Macau	84°	74°	SW 10-15
Melekeok	84°	74°	SW 10-15
Phnom Penh	84°	74°	SW 10-15
Prague	84°	74°	SW 10-15
Pyongyang	84°	74°	SW 10-15
Rangoon	84°	74°	SW 10-15
Singapore	84°	74°	SW 10-15
Shanghai	84°	74°	SW 10-15
Singapore/Changi	84°	74°	SW 10-15
Taipei	84°	74°	SW 10-15
Tokyo	84°	74°	SW 10-15
Tokyo/Vietnam	84°	74°	SW 10-15

**Africa**

Today	High	Low	Wind
CIF	CIF	CIF	CIF
<

## THE AMERICAS

**Some Find It Nutty  
In Peanut Gallery****Lunch Hysteria Spooks Schools**By Anemone Hartocollis  
*New York Times Service*

**NEW YORK** — As any American parent can testify, there is probably no sicker staple of childhood than peanut butter, a pure product of America, consumed at an annual rate of 3 pounds (1.4 kilograms) per person.

Now peanut butter is under attack at the schoolhouse door. Cheap, nutritious, popular and traditional, it has nonetheless taken its place on the list of substances — like asbestos and lead — that send shivers down the spines of school administrators.

Prodded by parents warning of lethal allergies, by the contentions of some researchers that peanut allergies are on the rise and, not least, by a fear of litigation, growing numbers of public and private schools across the United States have banned peanut butter from their cafeterias. Others have declared peanut-free zones or set up committees to figure out what to do.

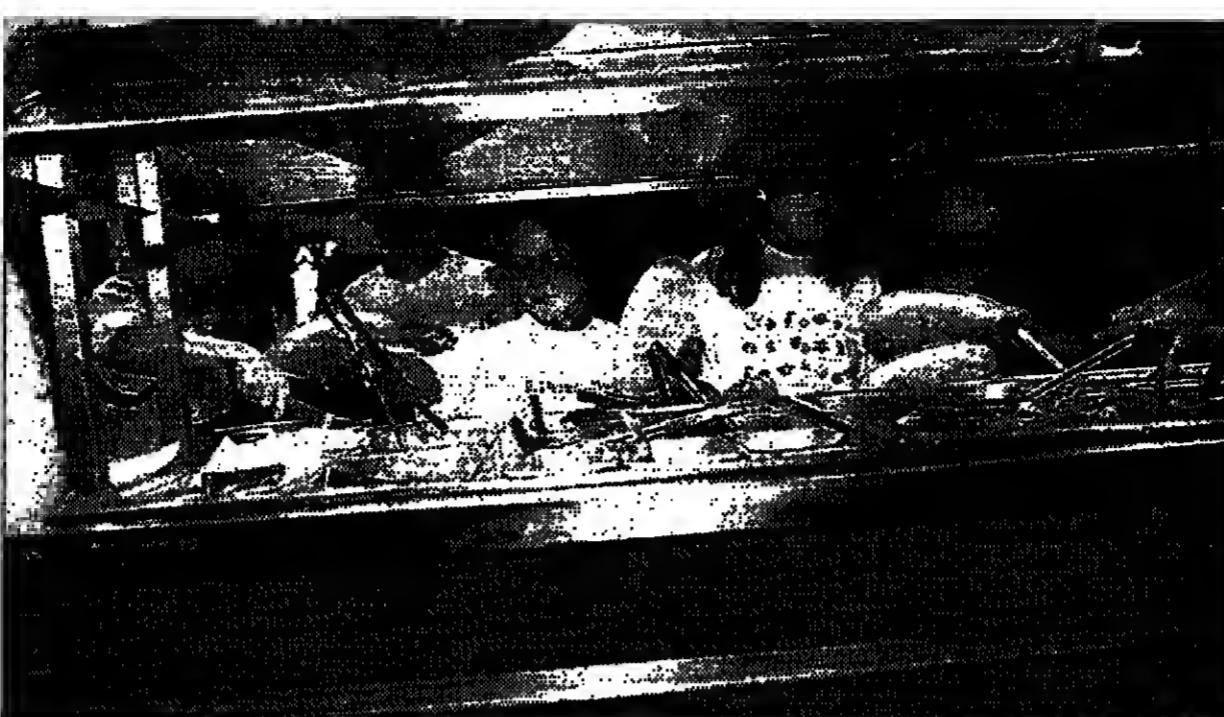
School officials find themselves balancing the rare risk

of death against the danger of being swept up in a faddish hysteria and of trying to anticipate potential legal repercussions of the 1990 Americans with Disabilities Act.

Even those who wonder if the bans have gone too far fear that if they do not act aggressively, they may face liability lawsuits and accusations of discrimination against children disabled by a peanut allergy.

The campaign to ban peanut butter is happening in scattered places where an assertive parent or two — supported by the Food Allergy Network, an advocacy group — has raised the alarm in schools, contending that peanut allergies are a disability that schools must accommodate under the disabilities law.

The Centers for Disease Control report only 88 deaths among all Americans from allergies to food, including peanuts, between 1979 and the end of 1993. But allergists supported by the food allergies network contend that fatalities are underreported, and that 0.5 percent to 1 percent of all



Students in the lunchroom at Trevor Day School, a private school in New York where peanut butter was banned last year for the lower grades, examining the day's menu choices on a sandwich bar.

Americans suffer from peanut allergies. The network estimates that every year 125 people die from food allergies, the majority from peanuts.

While network officials say they are not forcing schools to take any particular action, the schools say that anything less than a total ban seems inadequate to satisfy the critics.

In its milder form, a peanut

allergy can cause itching, swelling, hives, wheezing, coughing, vomiting and diarrhea, doctors say.

The New York City public school system, America's largest with more than a million children, has remained immune to the peanut phenomenon — largely because no one has complained.

But while peanut butter has

been slow to become an issue at New York City public schools, the city's private schools have fallen in line like so many dominoes.

Mark Grossman, a lawyer who represents many New York City private schools, said schools are concerned that peanut allergies might qualify as a disability that must be accommodated under

the Americans with Disabilities Act. Neither Mr. Grossman nor the Food Allergy Network knew of any litigation on peanut allergy that has resulted in a court decision.

But a recent directive by the U.S. Department of Transportation construed peanut allergies as a disability and ordered airlines to set up peanut-free zones. That decision may set a precedent for schools, advocates say.

Beyond bans, schools are wrestling with questions like whether to provide individualized supplies — say, blocks and sets of wooden rods for solving math problems — to children with severe peanut allergies so they will not be contaminated by the peanut-smeared hands of classmates.

Concerned that a child who has just eaten peanut butter might hold hands with an allergic child, schools now encourage children to become compulsive hand-washers.

Compared with other causes of death or illness, the damage from peanut allergies is tiny. In 1995, according to the Centers for Disease Control, 2,880 children died in car accidents and 2,944 in other accidents. Some 200,000 children were hospitalized with asthma-related illnesses, according to the Department of Health and Human Services.

**AMERICAN  
TOPICS****Conservationists Boil Over Soup**

The shark has never had a large circle of friends, but the killing of thousands of blue sharks in the Pacific for their fins has angered conservationists, who see it as a waste at best and an unnecessary slaughter at worst.

In Hawaii, shark fins worth \$30 million are sold each year.

Fishermen, who generally catch the creatures while after tuna or swordfish, sell the fins at dockside to men offering cash. Shipped to Asia, for use in the ancient delicacy of shark-fin soup, a pound of dried fin brings up to \$250.

With little market for shark meat, skin or cartilage, fishermen often just cut off the fins, then throw the shark overboard, sometimes still alive.

Shark finning is banned off the U.S. Atlantic Coast, where sharks have been overfished, but it is still legal in the Pacific. The National Marine

Fisheries Service is working to quantify the industry and assess shark populations. It also is seeking new markets for shark products. The Associated Press reports.

But in the face of the huge Asian market, it will not be easy to curb the sales for soup. From 1991 to 1996, the price of fins doubled, and the shark catch at Hawaiian docks jumped 22-fold.

**Short Takes**

A federal judge in Seattle has cleared the way for an Indian tribe to resume whaling off the coast of Washington state.

The Makah tribe plans to begin its first hunt Oct. 1, during the fall migration of gray whales from Alaska to Southern California. The tribe is allowed five whales a year.

Animal rights groups, coastal tour-boat operators, kayakers and a U.S. congressman, Representative Jack Metcalf, Republican of Washington, had challenged the plan in court.

The number of caesarean births performed by several hospitals in the Boston area has been significantly lowered, using a simple approach: When a woman arrives in labor, they send her

back home to wait — unless contractions are strong and the womb is opening.

Hospitals and obstetricians had recognized that the rates of caesarean deliveries had soared in the United States, from 5 percent in the 1970s to 25 percent in the 1990s. Part of that reflected a trend to overhospitalization. The Boston Globe reports.

Researchers found that when a woman arrived in early labor, there was a tendency to "do something" — often meaning a caesarean. But by sending home women who are in the early stages, the Massachusetts hospitals have lowered their caesarean rate from 26 percent to 20 percent, with no decline in healthy deliveries.

This will not leave anyone feeling sorry for Bill Gates, the world's richest man, but it turns out that as a share of the U.S. economy, his \$62 billion fortune, based on Microsoft, pales next to the historic wealth of John D. Rockefeller, Andrew Carnegie, Cornelius Vanderbilt and John Jacob Astor. American Heritage magazine reports that, adjusting for the growth of the U.S. economy, Mr. Rockefeller's wealth would be worth \$190 billion today.

Brian Knowlton

**POLITICAL NOTES****Minimum-Wage Raise Dies**

**WASHINGTON** — Senate Republicans have killed any chance of increasing the minimum wage this year, voting down a bill they said would hurt small businesses because it would extract too much too soon after the wage increase of 1996.

They also said that Senator Edward Kennedy, Democrat of Massachusetts, the measure's sponsor, was using the vote as a political trap to force them on the record against a wage increase in an election year. Mr. Kennedy ceded the point. "It is a defining issue," he said after the vote. "It ought to be an election issue."

The bill would have raised the minimum wage by 50 cents in January and another 50 cents the following year, taking it to \$6.15 an hour from \$5.15 over two years.

Republicans expect any fallout from this vote to be blunted in the next couple of weeks by their passage of a tax cut. (NYT)

**22.5 Million See Clinton Tape**

**WASHINGTON** — About 22.5 million people watched the videotape of President Bill Clinton's Aug. 17 grand jury testimony when it was broadcast Monday on the three major broadcast networks and three all-news cable networks, according to Nielsen Media Research.

Nielsen estimated that for the hours from 9 A.M., when most networks began their coverage, to 2 P.M., when the broadcasters returned to normal soap operas, the sum of the average household rating for all six networks was 18.8, which translates into 18.6 million homes.

Excluding the cable networks, the daytime television average last season was an 11.3 rating (about 11.1 million homes) for the hours from 11 A.M. to 4 P.M. CBS had an average rating for those hours of 5.2, while NBC averaged a 4.5 rating and ABC a 3.3 rating. Each rating point represents 994,000 homes. (NYT)

**Quote/Unquote**

Alan Simpson, the retired Republican senator from Wyoming, on Mr. Clinton's videotape performance: "That's his life. His life is bounded from precipice to precipice like a huge mountain goat, bridging crevasses after crevasses and people shooting at him with high-powered rifles and the other side crumbling as he lands, just like in the movies. What's interesting to me is did anybody believe that this man would testify for four hours and not do well, when it was his decision to do it?" (NYT)

**Away From Politics**

- The FBI's crime lab in Washington, criticized recently for shoddy work, gained accreditation by the American Society of Crime Laboratory Directors. It means the lab meets the requirements for procedures and accuracy for a variety of crime-related tests. (AP)

- Fewer Americans are dying each year from heart disease, but the number of people suffering first heart attacks has held steady or even increased since 1987 because treatment is outstripping prevention. A study found deaths fell 28 percent among men and 31 percent among women from 1987 to 1994. (AP)

# BMW drivers are also fond of stars — four stars, the top rating for the BMW 5 Series in the Euro NCAP Safety Test for Passenger Protection.\*

\*Frontal offset crash at 40 mph, side collision at 30 mph.

Tests conducted under the European New Cars Assessment Program (Euro NCAP) give car drivers all over Europe the chance to make objective comparisons. Once again, the BMW 5 Series was safely out in front.



Freude am Fahren

## THE AMERICAS

**Mandela Brings Clinton a Strong Message of Support From Africa**By James Bennett  
New York Times Service

**WASHINGTON** — Nelson Mandela, the president of South Africa and among the planet's foremost moral authorities, has given President Bill Clinton the kind of emotional endorsement that he has trouble getting these days from members of his own party.

At a White House reception Tuesday, Mr. Mandela said that the domestic debates of the United States were not his business but that his personal code did not allow him to desert a friend. He said South Africa, Africa and the entire world supported Mr. Clinton.

"We do wish you that President Clinton is a friend of South Africa and Africa," he said, "and, I believe, the friend of the great mass of black people, and the minorities and the disabled of the United States."

Saying that "we are thinking of you in this difficult and discouraging time in your life," Mr. Mandela recalled receiving a telephone call two

days ago from Frederick Chiluba, the president of Zambia.

"He said, 'Mandela, I want you to support President Clinton,'" Mr. Mandela said. "He was not speaking for himself, and he said so. He said, 'I am speaking for the continent of Africa.'

Mr. Clinton, clearly moved, smiled during Mr. Mandela's remarks, and appeared at one point to wipe away a tear.

Mr. Mandela was repeatedly interrupted with applause from an audience of black religious leaders, presidents of historically black colleges and members of the Congressional Black Caucus. Black Americans have been among the president's most loyal supporters since he acknowledged an inappropriate relationship with Monica Lewinsky.

By the time Mr. Mandela again said he would not "interfere in the domestic affairs of this country," his audience was laughing, convinced that he was doing just that. Mr. Mandela described the standing ovation that Mr. Clinton

received on Monday from the United Nations General Assembly. "If you judge from the reaction of the delegates, he said, "the United States is completely isolated on this question."

But Mr. Mandela seemed to entertain the possibility that Mr. Clinton's presidency might not survive this scandal. "If our expectations, if our fondest prayers and dreams, are not realized," he said, "then we should all bear in mind that the greatest glory of living lies not in never falling but in rising every time you fall."

In introducing Mr. Mandela, Mr. Clinton thanked him "for being the person we'd all like to be — on our best day."

**Mandela Honored by Congress**

Surrounded by the Capitol Rotunda's towering images of George Washington and Abraham Lincoln, Mr. Mandela on Wednesday received the Congressional Gold Medal, the first African to be awarded the United States' highest honor.

The Associated Press reported.

Mr. Clinton followed a long lineup of law-

makers, including Representative Newt Gingrich, the House speaker, who beseeched Americans to follow Mr. Mandela's example of humility, sacrifice and kindness in the face of enmity.

"No medal, no award, no fortune, nothing we could give him could possibly compare to the gifts he has given to us and to the world," Mr. Clinton said before presenting the medal.

**International Appeal for Clinton**

A group of international entertainers and intellectuals on Wednesday backed Mr. Clinton, saying the "extreme right" was using the Lewinsky scandal to undermine his social programs. Reuters reported from Paris.

The democratically elected president of a free nation has been subjected for eight months to inquisitorial harassment by a fanatical prosecutor with unlimited power," the 67 signatories said in a statement published by the daily *Le Monde*.

The campaigners included the Nobel Peace Prize winners Desmond Tutu and Jose Ramos Horta, a Nobel literature winner, Gabriel Garcia Marquez, and a Nobel physics laureate, Pierre-Gilles de Gennes.

"Kenneth Starr's arbitrary and unfair procedures must not have the upper hand," they said, referring to the special prosecutor. "Victory in America over this prosecutor will be victory for those across the world who support the principles of freedom." They said added that Mr. Starr was breaking the "sacred right" to privacy.

"The judicial show orchestrated by Prosecutor Starr is only a cover," the statement said. "His real fight political. Backed by the extreme right, he is seeking to undermine President Clinton's ideas of freedom and his social and liberal program."

Signatories included the film stars Anthony Hopkins, Gerard Depardieu, Vanessa Redgrave, Emma Thompson, and Jeanne Moreau; the writers William Styron, Guenter Grass, and Carlos Fuentes; the singer Peter Gabriel, the violinist Yehudi Menuhin and the chairman of the French National Assembly's Foreign Affairs Committee, Jack Lang.

**CLINTON:  
Gingrich Won't Deal**

Continued from Page 1

The alternative, he said, was many months of hearings that would leave the United States distracted at a dangerous time. "We are not in a world today where we can sit here as a country in suspended animation for 8, 9 and 10 months," he said.

Democrats have appeared reinvigorated since the four-hour videotape of Mr. Clinton's testimony was broadcast Monday. Polls indicate that approval of Mr. Clinton's job performance jumped from 60 percent to 66 percent.

But if Democrats felt emboldened to step up attacks on the Republican leadership, Mr. Gingrich said he had no plans to alter the "orderly" march of the House Judiciary Committee toward reviewing the evidence against Mr. Clinton and deciding whether to recommend impeachment.

Asked by a reporter whether such a prolonged process would indicate Congress's contempt for the will of the people expressed by the polls, Mr. Gingrich replied, "I think people would be frankly horrified if the Congress was simply a polling institution that enacted a grotesque version of justice based on the latest poll or the latest talk show."

Similarly, on Tuesday, Representative Henry Hyde of Illinois, chairman of the Judiciary Committee, said it was "very premature" to talk about negotiating an agreement with the White House.

But Mr. McCurry said the White House understood that it was Mr. Gingrich, a possible Republican presidential candidate in 2000, who was calling the shots in the Judiciary Committee.

Another Democrat who has fostered the idea of a negotiated solution to the crisis, Senator John Kerry of Massachusetts, said Wednesday that the speed at which Republicans conclude the matter would be "a test of their good faith."

Mr. Kerry had called Sunday for Mr. Clinton to go before the Judiciary Committee and explain himself as part of an agreement to drop any plan for impeachment hearings.

He said Wednesday that there was no reason the matter could not be brought quickly to a close. "This is a simple case," he said on CNN. "Everyone knows what happened."

To the Republican insistence that the investigation of charges against Mr. Clinton has only begun, Mr. Kerry said that if Republicans "want a stipulation from the White House of a whole set of facts, I believe they could get that."

The broadcast Monday of Mr. Clinton's taped grand jury testimony in the case appeared to have given Democrats some relief from the unrelenting bad news since the Starr report was released.

House Democrats, particularly in traditionally Democratic areas, said they were observing a dramatic shift in opinion in Mr. Clinton's favor. "It's as if the boil was lanced, and the fever has broken," Representative Edward Markey, a Massachusetts Democrat, told the Washington Post. "Last week the calls were coming in 3 to 2 against the president, but today it's 3 or 4 to 1 in favor."

The Judiciary Committee is to meet Thursday to consider the release of an additional 16 boxes of evidence from Kenneth Starr, the independent counsel.

Bickering over release of documents, and the pace at which to proceed, has given the Judiciary Committee along sharp partisan lines. Republicans familiar with the remaining material said no major surprises would be revealed.

"I haven't seen anything new," said Representative James Rogan, a California Republican.

The next real effort should, however, include the grand jury deposition of important figures, including some presidential aides and Betty Currie, Mr. Clinton's secretary. It should also include taped conversations between Ms. Lewinsky and Linda Tripp, the one-time friend who turned the tapes over to prosecutors.

The real impact of the meeting at the Ritz-Carlton could be political, shaping perceptions of Mr. Starr and his investigation.

It seemed to annoy the jurors. The first time the subject of Jan. 16 came up, Mr. Emmick seemed to try to change the subject. But the jury would have none of it. "We really want to know about that day," a juror said.

Mr. Carter said that Mr. Starr had not released some exculpatory material to Congress and demanded that he do so. He did not elaborate as to what that might be.



Linda Tripp, who taped Monica Lewinsky and triggered the investigation.

**Tripp, the Invisible Woman, Emerges***Unlike Starr Report, New Documents Detail Betrayal of Lewinsky*By John Mintz  
and Roberto Suro  
*Washington Post Service*

**WASHINGTON** — In the voluminous report that the independent counsel, Kenneth Starr, submitted to Congress, one person seemed conspicuously absent: Linda Tripp, whose account of Monica Lewinsky's affair with President Bill Clinton prompted the investigation in the first place.

But with the release of 3,183 pages of additional documents this week, new details have emerged about Ms. Tripp and how she betrayed her friend and acted as a provocateur intent on ensnaring the president at key moments in the unfolding drama.

It was Ms. Tripp, according to Ms. Lewinsky's grand jury testimony that was made public Monday, who urged her not to clean the semen-stained blue dress that proved she had a sexual encounter with Mr. Clinton.

And it was Ms. Tripp, according to the documents, who urged Ms. Lewinsky not to sign an affidavit denying she had an affair with Mr. Clinton until the president's friends assisted her in landing a job — advice that would have set a trap for Mr. Clinton had Ms. Lewinsky followed it.

There are a number of reasons why Ms. Tripp, once Mr. Starr's key witness, has been so eclipsed in his investigation. For one, when Ms. Lewinsky started cooperating with Mr. Starr in July, Ms. Tripp's testimony about what Ms. Lewinsky had told her was not as important.

But an added factor was Mr. Starr's own suspicion that Ms. Tripp lied about her handling of the audiotapes she made of her conversations with Ms. Lewinsky. The independent counsel is investigating whether Ms. Tripp was telling the truth when she told Mr.

Ms. Tripp has made no public appearances since July, when after completing her grand jury testimony she proclaimed that she was "an average American" being "villified for taking the path of truth."

But Ms. Lewinsky left no doubt about who she thinks is the cause of her troubles. At the end of her grand jury appearance last month, according to testimony made public this week, Ms. Lewinsky was asked whether she had anything to add, and she said tearfully: "I'm really sorry for everything that happened. And I hate Linda Tripp."

The grand jurors then began confronting her, one saying: "Right now you feel a lot of hate for Linda Tripp, but you need to move on and leave her where she is because whatever goes around comes around." A second grand juror added, speaking of Ms. Tripp: "She is definitely going to have to give an account for what she did."

Mr. Clinton, too, has seemed fixated on Ms. Tripp's role in upending him.

During his grand jury testimony, he

repeatedly voiced suspicions that she was responsible for feeding information about Ms. Lewinsky to the lawyers for Paula Jones in her sexual harassment suit against the president.

Explaining his surprise when the Jones lawyers began questioning about Ms. Lewinsky in his deposition Jan. 17, Mr. Clinton said, "These people had access to a lot of information from somewhere, and I presume it came from Linda Tripp."

The new information in the Starr documents only reinforces Ms. Tripp's reputation in some quarters as the villain in the Clinton scandal.

The new documents also shed new light on Ms. Tripp's role in launching Mr. Starr's investigation of Mr. Clinton's relationship with Ms. Lewinsky.

According to Mr. Starr's report to Congress, Ms. Tripp in her initial discussions with his office early in January said that Vernon Jordan Jr., a close friend of Mr. Clinton's, was helping Ms. Lewinsky find a job at the same time that he was advising her on how to handle a subpoena in the Jones lawsuit.

Mr. Starr said in his report that he "recognized parallels" between Mr. Jordan's relationship with Ms. Lewinsky and allegations, already under investigation by Mr. Starr, that Mr. Jordan had provided economic help for Webster Hubbell, a key figure in the Whitewater real estate investigation, to ensure his silence.

According to Ms. Lewinsky's testimony, she took the initiative with Mr. Clinton last October to ask the president to secure Mr. Jordan's help for her in getting a new job once it became clear to her that suspicious White House staffers would never let her work close to the president again. But Ms. Lewinsky said that the idea of involving Mr. Jordan may have begun with Ms. Tripp.

**STAR: Low Point in Lewinsky Case: Jan. 16 Interrogation**

Continued from Page 1

young woman who is obviously frightened to death and discourage her from seeking counsel. There's no question about it. This was prosecutorial misconduct."

It was fair play, countered others.

"She was a grownup, and she wasn't in custody. That's the way the game is played," said Akhil Amar, a Yale Law School professor of constitutional law and criminal procedure. "I'm sure criminal defense attorneys don't like it, but the fact is, prosecutors want to get at the truth, so they try to discourage witnesses from calling their lawyers."

During her testimony on Aug. 20, Ms. Lewinsky told the grand jury that the first thing she told the FBI agents was that she would not talk without an attorney. She said she only agreed to go with them because they told her "that was fine, but I should know I won't be given as much information and won't be able to help myself as much with my attorney."

She also testified that she had been told not to call Mr. Carter because he might tip off her friend Vernon Jordan Jr. about the still-secret investigation, and that someone told her Mr. Carter would not be able to help much anyway because he was not a criminal attorney.

She said Mr. Starr's aides did give her a number for another attorney to call, but she refused because she did not trust them. Still, Ms. Lewinsky admitted in her testimony that she had been repeatedly told she was under no obligation to stay with Mr. Starr's deputies on Jan. 16.

They did read Ms. Lewinsky her rights. At one point, they let her leave the room alone to make a phone call. She eventually did call her mother, Marcia Lewis, who took a train to Washington, and she did talk to a lawyer.

It seemed to annoy the jurors. The first time the subject of Jan. 16 came up, Mr. Emmick seemed to try to change the subject. But the jury would have none of it. "We really want to know about that day," a juror said.

Mr. Carter said that Mr. Starr had not released some exculpatory material to Congress and demanded that he do so. He did not elaborate as to what that might be.

new attorney, William Ginsburg.

She ate dinner with Mr. Emmick and an FBI agent in the mall. She went to the bathroom at Macy's. She withdrew money from an automatic teller machine.

At 12:30 A.M., according to Mr. Starr's log, she thanked the agents and prosecutors "for being so kind and considerate." It was six months before she agreed to cooperate with Mr. Starr's office.

Several legal analysts said the Supreme Court has given prosecutors a lot of leeway in questioning witnesses who are not in custody. They can set traps, warn about the consequences even lie.

But in her grand jury testimony, Ms. Lewinsky claimed that she felt threatened in the hotel room crowded with prosecutors and FBI agents, and thought she would be arrested if she tried to leave.

At one point, she said, she sat in the room sobbing for two hours. At 2:29 P.M., according to Mr. Starr's log, she said, "If I leave now, you will charge me."

Some commentators are suggesting that the prosecutors may have taken Ms. Lewinsky into "psychological custody" and that they had an ethical obligation to back off when she wanted to talk to a lawyer.

The real impact of the meeting at the Ritz-Carlton could be political, shaping perceptions of Mr. Starr and his investigation.

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**Carter and Bush Speak Out on the White House Scandal***The Associated Press*

ATLANTA — Former President Jimmy Carter says he does not think President Bill Clinton told the truth in grand jury testimony and expects the House to vote to impeach him.

But he said he has "deplored and been deeply embarrassed about" Mr. Clinton's relationship with Monica Lewinsky.

"And I have also deplored and been embarrassed by the reaction to it, the overemphasis of it, the matter in which a very serious political and legal issue has been addressed," he said Tuesday.

Mr. Carter said the presidency and

the country will survive this "embarrassing circumstance" even if "a lot of damage has been done."

Former President George Bush, in a television interview, was reluctant to criticize Mr. Clinton.

"He's got enough critics out there now," Mr. Bush said.

Asked if the presidency has been diminished by Mr. Clinton, Mr. Bush responded: "This office is strong, bigger than any one person. But I'm afraid, I'm afraid for now it has been diminished."

**Seoul Acts to Punish 10,000 for Corruption**

**SEOUL** — More than 10,000 civil servants, including two assistant cabinet ministers, have been dismissed or reprimanded in an anti-corruption campaign, the government said Wednesday.

At the order of President Kim Dae Jung, the agency charged with government management said it had been conducting a secret probe of ministries and state-funded organizations since July.

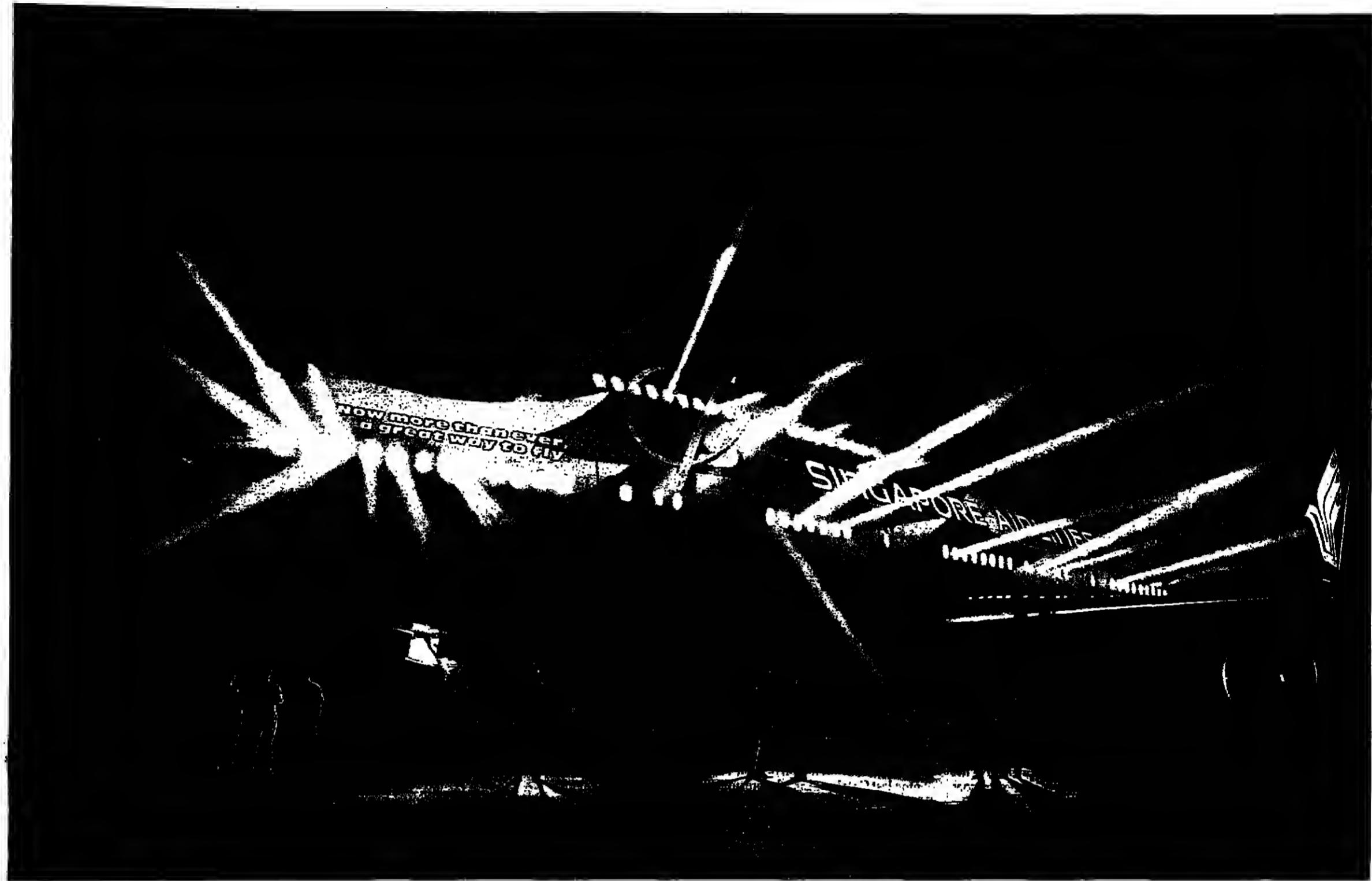
About 500 officials were fired for taking bribes, the agency said, including two deputy cabinet ministers and 13 other senior officials indicted on bribery charges.

The remainder of the civil servants and officials were subjected to cuts in salary and other forms of disciplinary actions, the news release said. (AP)

Western diplomats said there were cautious hopes that the two states, which want to escape U.S. trade and credit restrictions, would declare their willingness to sign the treaty.

Mr. Vajpayee also said on his flight that India and Pakistan had agreed on modalities for resuming their stalled dialogue and would instruct officials to open talks on all issues, including peace, security and the disputed territory of Kashmir.

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*Singapore Airlines has created the world's most exclusive First Class cabin.*

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## EUROPE

**Dublin and Belfast Discuss IRA Disarmament**By James F. Clarity  
New York Times Service

**DUBLIN** — Prime Minister Bertie Ahern of Ireland and Mo Mowlam, the highest British official in Northern Ireland, sought Wednesday to devise a compromise in the growing dispute over disarmament of the Irish Republican Army.

After an 80-minute meeting, Mr. Ahern and Ms. Mowlam, the Northern Ireland secretary, said they were making progress on a number of issues involving the peace agreement.

But, significantly, they did not say progress had been made on the problem

of disarmament of the IRA arsenal. The IRA has observed a cease-fire for 14 months, but has repeatedly said it will not disarm.

This has led to problems for its political wing, Sinn Fein, whose members are seeking important posts in the new Northern Ireland Assembly.

In recent days, the dispute has accelerated, creating a sense of growing crisis in the enactment of the Northern Ireland peace agreement reached in the spring and aimed at ending permanently the sectarian violence between Roman Catholics and Protestants in the British province.

"In some of these issues there are

difficulties," Mr. Ahern said. Ms. Mowlam said she was sure that eventually the IRA would disarm, and officials pointed out that she declined to address the key point of the dispute: exactly when the disarmament might begin.

Mr. Ahern told Ms. Mowlam that the announcement on Tuesday that Britain was withdrawing about 500 of the 17,500 troops it has in the North was helpful. Officials and experts said the prime minister meant the withdrawal would be seen as a concession to the IRA and its political wing, Sinn Fein.

On Tuesday night, Mr. Ahern and David Trimble, the first minister of the

Assembly, called on the IRA to disclose when it might begin to disarm, and asked Sinn Fein to try to find out. Sinn Fein has not replied.

Also on Tuesday, Mr. Trimble met with Gerry Adams, the Sinn Fein president, whose position has been that disarmament would only come as part of an overall enactment of the political provisions of the new peace agreement that is to give Catholics more power in the province. The agreement is to be enacted by May 2000, and Sinn Fein has indicated there will be no disarmament before then.

The disarmament dispute, which has repeatedly impeded the peace effort for four years, is between officials of the province's Protestant majority and its Catholic minority, now facing each other in the new Assembly.

The Assembly, which is to gain from Britain more autonomy in provincial affairs, is scheduled to set up a provisional cabinet, which will then participate in a new cross-border body, the North-South Ministerial Council, comprising Northern Ireland Catholics and Protestants and members from the overwhelmingly Catholic Irish Republic. But the process has been stalled over IRA disarmament.

Sinn Fein insists that it must now be given two ministerial posts in the cabinet, according to the rules of the peace agreement. But Protestant Unionists, led by Mr. Trimble, insist that the IRA must begin some form of disarmament before Sinn Fein gets ministers.

Sinn Fein accuses Mr. Trimble of misinterpreting the agreement and setting a condition membership in the cabinet.

The agreement only requires all parties to work toward disarmament during the accord's two-year period.

Mr. Trimble says that it is implicit in the agreement that some disarmament must start soon, before the cabinet is filled. Mr. Adams says this is a condition not included in the peace agreement.

The issue threatens to create the first crisis in the peace effort since the agreement was reached by Protestant and Catholic leaders in April, and approved in referendums in May in the North and in the Irish Republic.

The North-South Council, giving the Irish Republic more influence in Northern Ireland affairs, is to meet next month.

Irish officials feel that without Sinn Fein present to represent the IRA, the body would be ineffective. IRA policy still calls for the end of British sovereignty in the province.

The North-South Council was a compromise in the peace agreement that would retain British authority, but give Catholics more of a voice.

## BRIEFLY



*Agence France-Presse*  
**BLOOD SPILLED** — Firemen cleaning up tons of animal blood, possibly from "mad cows," that leaked from a tanker Wednesday near Birmingham, England. Eight people were checked for contamination.

**Siemens Plans Fund For Slave Laborers**

**BERLIN** — Following Volkswagen's lead, Siemens announced plans Wednesday for a fund of 20 million Deutsche marks to compensate former slave laborers who were forced to work for the company during World War II.

The electronics giant, along with VW, is one of several German businesses under pressure from lawsuits in the United States and threats of more at home from Nazi-era victims.

Last week, Volkswagen became the first of these firms to agree to payments when it announced its own fund of 20 million Deutsche marks (\$12 million) after arguing for years that it had no legal duty to pay back wages for labor that it was forced on it by the Nazi war machine.

Siemens had a similar change of heart. Almost a year ago, at its 150th anniversary celebrations, the company insisted that it could do no more for its former slave laborers than express "deepest regrets."

Krupp, Daimler-Benz, Audi and BMW are also named in a New York suit seeking restitution for thousands of former slave laborers.

(AP)

**Serb Results Slowed**

**SARAJEVO, Bosnia-Herzegovina** — The international body that or-

ganized Bosnia's general election on Sept. 12 and 13 said Wednesday that it would not be able to announce the results until Friday at the earliest because of technical problems.

The Organization for Security and Cooperation in Europe first said it planned to make the results known Thursday.

A Serbian ultranationalist, Nikola Plasen, is widely believed to have defeated the Western-backed incumbent, Biljana Plavsic, in the contest for the presidency of Bosnia's Serbian entity.

(Reuters)

**Spying Laid to Finn**

**HELSINKI** — A Finnish Foreign Ministry official is suspected of providing Russia with confidential information about the European Union and has been questioned, the ministry said Wednesday.

Two employees at the Russian Embassy in Helsinki who are believed to be the recipients of the unspecified documents left Finland at the end of the summer. One left voluntarily and the other was encouraged to do so, a Foreign Ministry undersecretary, Jukka Valimaa, said on Finnish public television.

He said he did not expect the incident to lead to any diplomatic repercussions.

In Moscow, the Russian Foreign Ministry expressed "bewilderment and regret" and said it would formulate a more concrete response in a few days.

(AP)

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## INTERNATIONAL

# UN Debates a Demand For Kosovo Cease-Fire

*Resolution Called a Warning to Milosevic*

By Barbara Crossette  
*New York Times Service*

UNITED NATIONS, New York — Overcoming Russian reservations, the Security Council approved on Wednesday a resolution demanding an immediate cease-fire in Kosovo and an end to Serbian attacks on civilians.

The vote was 14-0, with China abstaining.

The resolution, which carries the implicit threat of force from NATO if fighting does not end, is intended to serve as a strong warning to President Slobodan Milosevic, diplomats said.

They acknowledged that differences of interpretation remain on whether this action authorizes NATO to proceed with military action, an issue that has divided Russia and the United States.

Calling the resolution "sufficient unto the day," Foreign Minister Hubert Vedrine of France said that the Security Council can wait before bailing out the next stage in its course of action. What was important, he said, was a unified front against the Serbs.

The United States has argued that NATO does not need a Security Council resolution to take action in Kosovo but agreed to back the British and French governments, which wanted the action to be taken in tandem with NATO discussions on potential military responses.

Russia's representative, Sergei Lavrov, said Tuesday that Moscow could accept the resolution because it did not specifically call for military action.

On Tuesday night, Igor Ivanov, the new Russian foreign minister, had appeared to rule out approval for military action. Western nations had feared a Russian veto in the council and worked hard over the last few days to persuade the Russians to back a resolution more as a warning to President Milosevic than as a prelude to attack.

To underline Russia's interests and the council's unity in its message to Mr. Milosevic, the resolution reiterated unkept promises that the Serb president made to President Boris Yeltsin of Russia in June and renews demands that those pledges be met.

The resolution only skirts the issue of how to deal with the Kosovo Liberation Army, an ethnic Albanian force fighting the Serbs in the Kosovo region.

Mr. Vedrine said that the countries framing a response to the Kosovo crisis would have to find a way to bring greater pressure on the secessionists in Kosovo

to join a cease-fire and a dialogue and not be further inflamed by the most radical elements in their movement.

Mr. Milosevic has broken previous understandings with the Russians. The resolution, proposed by Britain and France, restates Moscow's demands on the Serbs, including an agreement to allow European Union observers into Kosovo, to guarantee access for relief agencies and to provide for the safe return of refugees.

The main thrust of the resolution, however, is its demands — supported by its status as a Chapter 7 resolution, which under the United Nations Charter makes it militarily enforceable — that the Serbs and their ethnic Albanian opponents in Kosovo cease hostilities immediately and begin a serious dialogue. It also calls for an end to Serbian attacks on the civilian population.

The resolution is part of a two-pronged campaign being mounted by Washington, which has taken the position that it does not need Security Council backing for military action.

The council action is being pursued along with a request to begin contingency planning for action in Kosovo. That planning includes the lining up of pledges of military support from NATO members and others who may want to become involved.

An American official took pains Tuesday to describe the NATO action as a step in planning, not a first step to war. Clinton administration officials are also insistent that the introduction of American ground troops is far from present plans.

In his speech Wednesday, Mr. Ivanov, the Russian foreign minister, also warned against the use of military force in Iraq and raised the possibility that Russia will argue in the coming crucial months on that issue that Iraq is no longer a threat to its neighbors and therefore deserves some relief from sanctions.

## ■ France Acts on Terrorism

France proposed Wednesday that the UN adopt a new international convention to strike at the sources of funding for terrorism. Reuters reported.

Mr. Vedrine said the permanent threat of terror made necessary new legal means to seize or freeze the assets of groups and individuals involved in acts of political violence. He said France would present a draft convention to the current General Assembly session after reaching agreement on it with experts from the Group of Seven leading industrialized nations, Russia and the European Union.



Ethnic Albanian refugees from Kosovo going about their daily routine in an abandoned plant near Sarajevo.

## AIRLINE: Debt-Laden Philippine Flag Carrier Is Closed Down

Continued from Page 1

union representing the airline's 7,000 employees.

Declaring he had "exhausted all remedies," Mr. Estrada said, "Everything is over, PAL is closed."

Mr. Tan, who took over the flagship carrier in a bitter, protracted battle several years ago, refused to relent in his final offer requiring workers to agree to suspend collective bargaining for 10 years in return for a 20 percent stake in the airline.

Leaders of both the company and the union said the talking was over, although no one dismissed the possibility of sale of a portion of the airline to a new company.

There was also the possibility of violence erupting in an atmosphere of bitter recriminations over the failure of last-minute talks.

"We will take legal or extralegal action to protect the interests of the union members," said Gerry Rivera, vice president of the Philippine Airlines Employees Association.

In the rough and tumble of Philippine politics, observers in Manila said, it was impossible to say that negotiations had ended for good.

"Anything can happen in secret talks," said Thomas Dietel, a veteran Manila correspondent for Swiss Broadcasting Corp. But, he added, "it doesn't look good."

After a sendoff that mingled songs and tears and anger over the demise of Asia's oldest airline, the final outbound flight, packed with 381 passengers, flew to Los Angeles and San Francisco.

While the plane was still eight hours from its destination, another plane arrived from Tokyo via Cebu, in the central Philippines, disgorging disbelieving, weeping crew members and passengers.

Three hours later, the airline closed its doors.

"We may never fly this way again," sang Alfred Magbanua, the pilot on the final flight into Manila, as he stepped off his Airbus A330, to the tune of "We May Never Love Like This Again," and government officials agreed.

There was no way, said the presidential spokesman, Jerry Barican, that the government would take over the airline, which it auctioned off as a lost cause in 1992.

"There is no money for it," he said.

"It seems to be a bottomless pit."

By the time it shut down, the airline

was \$2.1 billion in debt with only 14 of its 52 planes in flying condition.

For the Philippines, the demise of its national airline is one of the most wrenching financial catastrophes in Asia since the economic crisis began to hit the region in earnest a year ago.

Mr. Tan, who made most of his billions from a company called Fortune Tobacco during the Marcos era, battled to take control of Philippine Airlines as a prestige entity that he believed he could turn into a money-maker. Promising that PAL would soon become the greatest airline in Asia, he announced a \$4 billion expansion plan two years ago.

His dream vaned, however, when it became clear that the Philippines, like Thailand, Malaysia, and Indonesia, would become a victim of the Asian financial crisis.

PAL has also had to fight a strong labor movement that staged a 22-day pilots' strike in June. Government officials have asserted that former Communist agitators influenced the union.

In the minutes before midnight, the government announced that the air force would handle shipment of vital supplies, including medical equipment, using its six cargo planes. But an official admitted that three of the six could not fly.

## BRIEFLY

### Loyalists in Congo Attack Rebel Camp

GOMA, Democratic Republic of the Congo — At least 56 people were killed in the east of this country on Wednesday when militiamen loyal to President Laurent Kabila attacked a military camp, rebel officials said.

Residents and rebel soldiers said a coalition of Rwandan Hutu Interhamwe militiamen and traditional Mai Mai warriors on Wednesday morning attacked a military camp at Ndoshia, about 4 kilometers (2.5 miles) north of Goma.

A senior rebel leader, Lunda Bululu, told reporters that five women and one child had been killed in the crossfire when the attackers moved along a main road adjacent to the camp near an orphanage.

Last week, a coordinated offensive in Goma involving the Mai Mai, the Interhamwe and Hutu soldiers from the former Rwandan Army, left close to 300 people dead, rebel officials said.

(Reuters)

### Israeli Opposes A Military Plant

JERUSALEM — The mayor of a small Israeli town asked the Supreme Court on Wednesday in block the government from expanding a scientific facility in his city because according to press reports the facility manufactures biological weapons.

The government said the reports, which have appeared in Israeli newspapers attributed to unnamed "foreign reports," were inaccurate, but citing security reasons, refused to say in open court what the institute makes.

The Biological Institute has been operating for decades in Nes Tziona, a small bedroom community south of Tel Aviv. In his petition to the Supreme Court, the town's mayor, Yossi Shevo, wrote that the institute conducts research "in the area of biological weapons and manufactures violent bacteria, which constitute a danger to the lives of the people living in the vicinity of the institute."

(AP)

### It's the Press's Fault In Venezuela, Too

CARACAS — Venezuela's defense minister blamed the media on Tuesday for fueling fears of a possible coup attempt amid a tense election campaign in which a former coup leader tops opinion polls.

Venezuelan newspapers, radio stations and television networks have run a number of articles in recent weeks speculating on the possibility of a military takeover to prevent the front-running candidate, Hugo Chavez, from winning December's presidential vote.

But Defense Minister Tito Rincon said the military would remain neutral in the elections. "The only places I have seen unusual situations and even talk of a coup is in the press," Mr. Rincon told reporters.

(Reuters)

## For the Record

Relatives of the thousands of people who disappeared during Peru's war on leftist guerrillas protested in Lima against human rights abuses. Scores of Andean peasants, mainly women, urged President Alberto Fujimori to investigate about 5,000 cases of people allegedly kidnapped and murdered during the 1980s and early 1990s. (Reuters)

### MALAYSIA: Wife Is Questioned

Continued from Page 1

authorities will enforce laws that prohibit rallies by those who have not obtained a police permit.

In an interview on Tuesday, Mr. Mahathir, 72, said police had not acted earlier to stop the protests, partly because they felt they were under a spotlight from visiting dignitaries and athletes for the Commonwealth Games, which ended Monday.

"The police did not act because we are conscious all the time of being scrutinized," he said. "The searchlight is focused on us. If we do the slightest thing wrong we are going to be accused. And we know that Anwar has very powerful friends abroad. Leaders of governments, foreign intellectuals."

Queen Elizabeth II left Wednesday after a four-day visit, and athletes and journalists who came for the Commonwealth Games have departed as well.

Mr. Mahathir has said he expects Mr. Anwar to be charged in court soon for his alleged involvement in homosexual acts, which are illegal in Malaysia.

Mr. Anwar, who vehemently denies the charges against him, is also under investigation for treason, sedition and unlawful assembly. He is being held under the Internal Security Act, which allows indefinite detention without trial.

## ■ Protest to Australia

Malaysia has officially protested remarks made by Australian leaders about the arrest of Anwar Ibrahim and several of his followers. Reuters reported from Kuala Lumpur.

But Prime Minister John Howard stood by a remark that Malaysia showed an apparent drift "towards an authoritarian approach."

## U.K. to Press Rushdie Case in Iran Talks

By Sarah Lyall  
*New York Times Service*

LONDON — The British government said Wednesday that it would continue to press Iran to lift the death sentence against the author Salman Rushdie when its foreign secretary, Robin Cook, meets the Iranian foreign minister in New York on Thursday.

"We're working to achieve a resolution to the problem that is going to be acceptable to both sides," said a spokesman for the Foreign Office. "We've always taken the opportunity to press for assurances of Salman Rushdie's safety, and that is what Robin Cook will be doing when he meets Kamal Kharaz tomorrow."

President Mohammed Khatami of Iran seemed to signal a softening of Iran's position on Tuesday, when he told reporters that "we should consider the Salman Rushdie affair as completely finished."

## LEBED: Trying to Make Inflation Illegal

Continued from Page 1

tricted. Virtually nobody thinks the controls are a substitute for a national strategy to rescue Russia from its economic malaise. But with Prime Minister Yevgeni Primakov still struggling to form a national cabinet, there is no overarching plan.

Mr. Lebed owes his post to Krasnoyarsk's economic distress. Tapping the deep well of discontent, he scored an upset victory over the region's incumbent governor in a bitter race last spring.

An immense region one-fourth the size of the United States, Krasnoyarsk has some of the nation's largest factories along with its Siberia-size economic problems. But Mr. Lebed assured the voters that the region needed an experienced crisis manager, not an economist.

Certainly, Mr. Lebed has been sorely tested.

With the collapse of the ruble in August, tax revenues plummeted. Panic buying cleared the shelves of baby food and cold medicine, leaving the region with dangerously small reserves.

Last week, residents in the city of Krasnoyarsk, the administrative capital of the region, found themselves without hot water when the central utility ran short of coal.

The only bright spot came when Mr. Lebed hosted a glitzy popular music festival, which was sponsored by one of Russia's leading television networks — a brief distraction in what may be one of the toughest winters in years.

Chastened by his region's economic woes, Mr. Lebed no longer talks confidently about single-handedly turning the situation around.

Krasnoyarsk, he says, needs a greater share of the nation's tax receipts and lower railroad freight and electricity rates to thrive over the long term.

It is Mr. Lebed's short-term plan,

however, that has led Krasnoyarsk's citizens to draw the political battle lines.

Anxious to quell the economic turmoil sweeping the nation, Mr. Lebed has decreed controls on the price of meat, fish, bread, flour, cereal, pasta, beverages and coal.

Under Mr. Lebed's system, producers who want to raise the wholesale price of goods need to appeal to a panel of government officials at least five days in advance. Officially, no ceiling on wholesale prices was set. But a Lebed aide has proclaimed that producers should be satisfied with a 2 percent profit.

Retail prices are regulated according to a formula: Shop owners are not allowed to sell their food and beverages for more than 10 percent above what they paid. Krasnoyarsk's tax inspectors are conducting spot checks to make sure.

Mr. Lebed has emerged in opinion polls in recent weeks as the most popular alternative to the Communists. But his brand of capitalism is not populist and vague.

"I am certainly on the verge of breaking the law but I think my measures are justified," Mr. Lebed said this month. "The emergency situation is compelling me to take emergency measures."

Defending his price controls, Mr. Lebed said they were needed to head off a wave of frenzied buying.

Another goal, he said, was to stop profiteering by local producers, who were taking advantage of the crisis to ratchet up their prices.

"Why should milk become more expensive?" he asked. "Has the price of cows gone up?"

Mr. Lebed is not the only one to turn to price controls.

The city of Kaliningrad, isolated on the Baltic, has declared a state of emergency. The tax police in Novgorod have prowled through the city, fining shops for exorbitant prices.

## GREENSPAN: Hints at Lower Rates

Continued from Page 1

greater threat than "excessive weakness" in the economy. By August, Ms. Stone said, the Fed committee felt that, in the words of Mr. Greenspan on Sept. 4, "the risks had become balanced" between inflationary and recessionary forces due to "dislocations abroad."

Now, she said, the Fed chairman has gone further, with the idea that the recessionary risks were likely to intensify. Since August, he said Wednesday, "deteriorating foreign economies and the spillover to domestic markets have increased the possibility that the slowdown in the growth of the American economy will be more than sufficient to hold inflation in check."

In addition, she said, his comments were similar to those offered in London on Tuesday by William McDonough, president of the New York Federal Reserve Bank. Mr. McDonough's views on monetary policy are often similar to those of Mr. Greenspan.

Expectations for a rate cut were kindled by Mr. Greenspan's Sept. 4 speech. Ten days later, President Bill Clinton gave a speech in New York that was followed by communiques from officials of the Group of Seven industrial countries that indicated a coordinated rate cut might be in the offing.

Last week, however, Mr. Greenspan told a House panel that the G-7 was not planning a coordinated move, but he did not address the possibility of the Fed reducing rates on its own. Financial markets have been volatile in the past few weeks, in part a reflection of changing

expectations for Fed action.

Those outside the Fed who favor a rate cut argue that it is necessary to shore up shaky world markets and take pressure off some countries

## EDITORIALS/OPINION

INTERNATIONAL  
Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Dubious Attack on Sudan

Almost immediately after American missiles destroyed the Shifa pharmaceutical plant in Sudan last month, serious questions arose about whether the Clinton administration had targeted the right factory. The administration insisted that the factory was producing nerve gas for terrorists. But a report in The New York Times by Tim Weiner and James Risen (*IHT*, Sept. 22) reveals that the decision to attack the plant was based in part on incomplete information and inference.

The administration argues that it nevertheless had enough to go on to justify the attack. But the launching of deadly American missiles requires more solid and convincing evidence than Washington appears to have had in this case.

The crucial decisions leading up to the attack were made by a narrow group of top national security officials meeting alone. Knowledgeable staff members were excluded to assure secrecy. With America's embassy in Khartoum closed, up-to-date information was scarce. Hard proof linking the Shifa factory to terrorism and nerve gas production was elusive, and the indirect evidence that was available was incomplete and open to conflicting interpretations. In addition, the CIA had recently concluded that reports that had appeared to document a clear link between the Sudanese government and terrorist activities were fabricated and unreliable.

## Another Casualty in Asia

Throughout Southeast Asia in recent years, a rising generation of leaders had begun to emerge, less wedded to authoritarianism than postcolonial leaders and more favorably disposed to democracy and openness. Now this generation is another potential casualty of the economic crisis that has swept the region.

If these potential leaders are side-tracked, the region will have less chance to overcome the corruption and cronyism that contributed to the economic troubles in the first place.

The archetype of this generation is Anwar Ibrahim, until recently deputy prime minister of Malaysia, now under arrest after the circulation of bizarre and unsubstantiated charges of sedition and sexual misconduct. "People in my generation would certainly like to see greater liberty, access to literature and knowledge, less censorship," Mr. Anwar told Newsweek magazine last year. "We don't have an obsession about the need for order and political stability. We did not experience the same turbulence that our elders encountered."

For several years, Mr. Anwar, 51, coexisted with his most important elder, Prime Minister Mahathir bin Mohamad, 72. But when Asia's economies began to falter, their differences in outlook could not be papered over.

—THE WASHINGTON POST.

## Other Comment

## World Wide Witnesses

It was a distressing image that the United States projected on its citizens and imposed on the rest of the world. Virtually the entire planet has been a witness to the most intimate part of a human being: his sexuality.

The president's comment while he was harassed by Kenneth Starr and his subordinates, that sexuality "remains the most mysterious facet of human life," may be the only important point worth remembering in this absurd matter.

The sex life of the 42d president of the United States certainly seems to be stuck in adolescence, but that should concern only himself, his partners, and his wife.

Why are we transformed into "voyeurs"? The media is being held accountable for this, but the Republicans who hold the majority in Congress authorized the scandal to unravel, contradicting the tradition of the American judicial system.

It would certainly have been preferable for Bill Clinton to have behaved like a man who was anxious to preserve his dignity, rather than like a clever lawyer or a steadfast politician.

Had he refused in the first place to answer the independent counsel's sanguineous questions, thereby defying the Supreme Court's initial decision in the Paula Jones case—and risking a major conflict between the executive and the

Le Monde (Paris).

judiciary—the debate would not have run as low.

There is no doubt that courage and the truth would have been a better strategy, but it was out to be and the entire picture is a lot gloomier today: Bill Clinton dragging his lies with him like a ball and chain, and doing so in front of a federal jury in an atmosphere of political and sexual inquisition.

But the underlying matter still prevails: Kenneth Starr's strategy and the attitude of Congress's Republican majority ignore the people's opinion.

President Clinton was elected, and re-elected, by the American people. It is not up to hypocritical and extreme initiators of a political campaign to force Mr. Clinton to resign, against the will—if we believe opinion polls—or of the majority of Americans, under the pretext of his private life.

Some people think the president should resign and hand over his position to Vice President Al Gore, who is currently considered to be the person most capable of portraying the values of the new democracy, which Bill Clinton had embodied until now.

Whether the situation evolves in this way or not, one can only condemn this diversion, which is not exclusively American. It is a step back, a moralistic, on the surface prudish—and as such distressing—and dangerously regressive change, especially when it is motivated by such mean politics.

Le Monde (Paris).

## NATO's New Main Act Risks Being a Sideshow

By Jim Hoagland

**W**Ashington — The Clinton administration sees the extending of NATO into Central Europe as a three-act pageant. But NATO expansion has become a mystery, with its most important story lines being developed and obscured by events racing beyond the control of the pageant's would-be directors in Washington.

Act One occurred in Madrid 14 months ago when the 16-member alliance agreed to make the Czech Republic, Hungary and Poland members in 1999 while holding the door open for other former Soviet satellites to join later. Act Two was an equally showy Clinton victory in the Senate, which ratified expansion last spring.

The administration is now at work on Act Three: In April, the first three Central European nations will formally join the North Atlantic Treaty Organization at a 50th anniversary summit meeting in Washington. Showers of confetti, gales of self-congratulatory rhetoric, exit all in an eternally peaceful Europe.

That is the hope. But the meeting could well highlight NATO's ebbing authority and failing sense of purpose in European security instead of shoring

off the promised new vitality. That danger will be compounded if the administration prepares the meeting as a combination celebration of American victory in the Cold War and vindication of Bill Clinton's embattled presidency.

NATO will soon be bigger. But will it be any better at using military power to deal with security problems it was not originally designed to confront? That is the hard conceptual question that Mr. Clinton's national security team has yet to answer convincingly.

Mr. Clinton and his aides repeatedly said in pushing NATO expansion that it would inevitably make Russia more secure—even if the Russians did not understand that—by stabilizing democracy in Central Europe.

But Russia has since gone off the rails. A civil war has erupted in the Serbian province of Kosovo, where NATO's threats to intervene have been shown to be empty by Slobodan Milosevic's continuing bloody repression. In Bosnia last weekend moderate Serb political leaders backed by the United States and pro-

tected by NATO suffered embarrassing rejection in provincial elections. None of these events were caused by NATO expansion. Nor were they deterred by it. As it stands, NATO expansion is turning out to be irrelevant to Europe's big security problems of the future.

The planning of a strategic concept for the expanded alliance is reaching its critical point now, and sharp differences are surfacing over what the organization's future missions will be. The responsibility to persuade Mr. Milosevic and other predators that expansion will not dilute NATO cohesion and give them a free pass cannot be put off until April.

These concerns were at the heart of discussions here last week between Mr. Clinton and the Czech president, Vaclav Havel. "The April summit cannot be just a commemorative gathering of Cold War victors," Mr. Havel told me later. "NATO has a historical challenge to become an instrument of collective defense, and of collective security, by focusing on its own tasks."

"If you look at Kosovo today, is what is happening there war or terrorism? How does NATO respond to it?" These are questions that cannot wait."

Mr. Havel made it clear in our conversation that he favored immediate NATO intervention in Kosovo. That conflict, he said, is rapidly becoming "a threat to the peace and security of Europe. This is an extraordinary case that requires extraordinary action."

Article 5 of the NATO treaty authorizes military action only to defend NATO members' territory, but, he argued, the article "should eventually be amended to permit NATO to act on its own in extraordinary cases outside NATO." Until this happens, action should be taken in the spirit of this amendment. "This puts us at odds with France, Britain and other NATO members who insist that UN authorization is necessary. Mr. Havel seemed to be trying to frame a compromise between them and Washington in the gathering dispute over the new strategic concept.

War in Kosovo and collapse in Russia were not part of the script written by Mr. Clinton and his aides. They bear heavy responsibility to keep NATO expansion, which they sold as the main act of European security, from becoming an irrelevant and distracting sideshow.

*The Washington Post*

distress Over!  
And the State

## Risk-Takers' Crisis of Confidence Tests the Markets

By Daniel Yergin

**C**AMBRIDGE, Massachusetts — It was what Goldilocks liked so much about the porridge—that it was neither too hot nor too cold, but just right. And that is why, over the past few years, the remarkable American economy has come to be known as the "Goldilocks economy." For it has been "just right" in its combination of low inflation, low unemployment, good growth and great job creation. Unfortunately, the Three Bears may now be heading for the house.

Much of the rest of the world's economy—the only other exception being Western Europe—is either engulfed in or threatened by monetary turmoil, economic collapse and contagion, with the specter of reality and social turmoil in close attendance.

What was thought to be a by-preserved financial crisis is now entering its 15th month, and at every stage it has proved worse than at first thought.

In the aftermath of the Russian default and devaluation, the immediate battleground has shifted to Latin America. But the past "few weeks" have brought the jolting recognition that Goldilocks is not invulnerable to what is happening in the rest of the world.

Perhaps the American economy is so resilient that it can shrug off the shocks. But the risk is now much greater that the United States will be affected

through reduced exports, lower corporate profits, monetary instability, unanticipated exposures and losses, and the reverse wealth effect that would result from a falling stock market.

Europe is likely to find that the euro arrives on Jan. 1 in the midst of unexpected stress that greatly complicates the workings of the new monetary union.

Downturn in the United States and Europe, in turn, would constrain export markets, making recovery in other parts of the world that much more difficult.

The heart of the matter is the misfit between global capital markets and national financial systems. It has turned out that the national systems did not have the institutional capability—or sufficient levels of knowledge or independence—to cope with the rapidly mounting flood of funds. Asian countries failed to comprehend the scale of debt or to properly gauge the risks. Years of high economic growth created a confidence in both borrowers and lenders that was not tempered as growth showed. In Russia's case, a political "state-of-the-art" prevented tax reform and collection. The resulting revenue shortfall led to short-term, credit-card type borrowing by the government.

Bot why are these shocks spreading around the world, hitting countries so widely divergent? After all, Latin American

countries such as Brazil and Argentina are hardly in the same situation as Russia. Nor is Poland, the most successful of the transition economies. The explanation is contagion. But this is an ailment out of countries hot among investors. What it really means is a sudden multiplying of the risk premium, with very harsh consequences for countries. Lenders and investors, originally drawn into emerging markets by the prospect of growth, now see only the downside, and they are rushing for safety. The result is a de-liquification of national economies.

If the past two decades have been dominated by a disillusionment with government management of economies, is a new disillusion with markets themselves settling in? To some degree, yes. Russia is backing away from reform and again turning toward intervention. Malaysia has clamped on currency controls and arrested the pro-market former deputy prime minister. Even free-market Hong Kong has been buying up shares in its stock market to frustrate speculators. Capital controls to slow "hot money" inflows—even if only "temporary"—and protectionist measures will be on the table.

Fidelity is growing against those who make their money by identifying—and perhaps manipulating—the mispricing of currencies and then attacking

them, with all the pain and social disruption that follows. And there is increasing questioning of markets themselves.

Yet the interwoven links creating the new global reality—trade, direct investment, capital markets, technology, communications—will continue to erode borders. Incremental retreat of one form or another is possible, indeed likely—as is the search for the villains. But barring a major collapse, wholesale retreat would mean a retreat from future investment and economic growth.

So far at least, those countries that have gone farther in reform are proving more resilient in the crisis. Social safety nets are essential if there is out to be a permanent embittering and loss of vitality. National polities will have to look beyond national politics. And international cooperation in restructuring debt is critical.

What also is required is a better understanding of how the new global financial system works. Very few knew, in advance how unforgiving its new rules could be. In due course, greater transparency may be required not only of national economies but also by international investors. And, at bottom, what is critically needed is honesty—in the processes by which markets work about the current situation and about the seriousness with which it will be met.

The writer is chairman of Cambridge Energy Research Associates. He contributed this comment to *The Washington Post*.

## Look for Skill, Not Just Decency, After Clinton

By David S. Broder

**W**Ashington — The longer the White House scandal lasts and the more the public is forced by Congress and the independent counsel to confront details of presidential behavior people do not want to see, hear or read, the greater the chance this sorry matter will have long-lasting effects on American politics.

So far, almost all the attention has centered on what the Lewinsky affair may do, whether it will create a backlash against President Bill Clinton's political critics, or depress voter turnout in the midterms elections, and whether it will embarrass Democrats and embolden Republicans in November. But there is no certainty the impact will stop there.

The last time a scandal of such a scale rocked the presidency, in Watergate, it echoed for years.

Whether the situation evolves in this way or not, one can only condemn this diversion, which is not exclusively

American. It is a basement of the Plains Baptist Church.

It is the Carter example I find particularly instructive—and alarming. Let me stipulate at once that Mr. Carter is a highly admirable human being, a splendid example of unselfish public service. His humanitarian efforts have been justly praised.

But the Carter campaign of 1976 looks like an anomaly. Here was a former one-term governor of a middle-sized state, with no great record of accomplishments at home and no national recognition at the beginning of the election year. He won over a field of more credentialed Democrats and then defeated President Ford essentially by repeating a six-word incantation: "I will never lie to you."

Ripped out of historical context and viewed with cold-eyed skepticism 22 years later, it

seems incredible that anyone could win the most powerful secular office on earth by making a claim at once so extravagant and so simple.

But at the time—after what the American people had seen happen in the White House—Mr. Carter's promise was like a drink of cool water for a nation wandering in a moral desert.

In 2000, the most powerful slogan in the presidential race may be even shorter than the one that elected Mr. Carter: "I will never embarrass you."

In a few weeks, a host of Republican contenders and probably more than one Democrat will be bancing for president.

In every one of their speeches, you will hear variations on the pledge to "restore dignity to the White House and make the Oval Office once again a source of pride to Americans, not the subject of late-night jokes."

That is a change devoutly to be wished, but the Carter precedent sends another message: A man of fine moral character who lacks the necessary temperament and political skills will fail the test of presidential leadership.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

## 1898: Price of War

**M**ADRID — The economic situation has become very grave. For the expenses of the repatriation of the troops it has been necessary to precipitate the contraction of a loan from Messrs. Rothschild with the Almaden silver mines as security and with that advance present urgencies have been satisfied. According to official figures, the Cuban war since 1895 has cost nearly 2,000,000,000 pesetas.

## 1923: Morley Dies

**L**ONDON — Viscount Morley, the Liberal statesman and biographer of Gladstone, died of heart failure at his residence, Flowermead, Prince's road, Wimbledon Park, to-night [Sept. 23]. He was taken ill a week ago. John Morley was born on December 23, 1838. He became Chief Secretary for Ireland and later Secretary of State for India, and was Lord President of the Council in the last Liberal Government. He left the Asquith Cabinet when the war began.

## 1948: Marshall Pledge

**P**ARIS — Secretary of State George C. Marshall, in an address before the United Nations General Assembly, pledged the United States yesterday [Sept. 23] to work for solution of critical world political problems. While inviting the Russians to shed suspicion and join hands in the UN team effort for peace, Secretary Marshall injected a firm qualification which some of the eastern European diplomats took to mean that East and West can co-operate, providing the East comes in on the West's terms. "Nations consistently in the minority," Mr. Marshall said, "would be welcomed among the ranks of the majority, but not at the price of compromise of basic principle."

## INTERNATIONAL Herald Tribune

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**TribTech**

## Internet Communications on the Wings of Angels

**By Mike Mills**  
Washington Post Service

**WASHINGTON** — There is a new airline in the making that would offer three flights daily, one-stop.

But these would be planes to nowhere: Each would reach a stratospheric altitude of 51,000 feet (15,450 meters), circle around for eight hours, then land as another took off to replace it. The pilot and co-pilot would be the only ones aboard. And instead of pretzels, this airline would serve high-speed Internet access to paying customers in major urban areas.

It is the creation of Angel Technologies Corp., a St. Louis company that plans to use planes with 2,000 pounds of communications gear as payload and a large antenna strapped to the fuselage. The Angel HALO (high-altitude, long-operation) planes would run tag-team missions above selected cities, serving as many as 50,000 subscribers in coverage circles of 50 to 75 miles in diameter.

Anyone in those circles who was equipped with a small dome-shaped

receiving antenna would be able to send and receive full-motion video, Internet material and phone calls.

Angel is the brainchild of Marc Arnold, Peter Diamandis and David Wine, three aerospace and communications entrepreneurs who cooked up the idea during a weekend retreat at Mr. Wine's home in the Colorado foothills.

"We were looking at a cover of Popular Science, which showed the Pathfinder aircraft setting altitude records, and said, 'Wouldn't it be great if you could use something like that to send a communications system 10 miles above a city?'" Mr. Diamandis said.

To design and build the plane, the trio tapped the aircraft designer Burt Rutan, part of the family team that built and flew the Voyager aircraft that in 1986 circled the world in nine days without refueling.

Wyman-Gordon Co., the parent company of Mr. Rutan's design firm, Scaled Composites, plans to announce a deal to build HALO planes, perhaps as many as 100, at a

total cost of \$760 million. Thirty cities would be served, the first being Los Angeles. When the service might begin is unclear; the company is still raising money.

Angel's plan is not exactly a conventional way to build a communications system. That gives rise to the venture's biggest obstacle: persuading the telecom industry, particularly service providers who would lease antenna capacity, to believe in Angel.

Angel's founders would like their idea to be taken as seriously as other wireless Internet projects that are more expensive and better known. Among them is Teledesic, a venture backed by the cellular pioneer Craig McCaw and the Microsoft Corp. chairman, Bill Gates, that would ring the world with hundreds of low-orbiting satellites.

Two land-based ventures, Teligent and WinStar, are building networks of transmission towers to carry Internet signals.

But industry analysts tend to compare Angel with Sky Station International, former Secretary of State Alexander Haig's lofty project to beam Internet

transmissions down to cities via football field-sized balloons that would hover in the stratosphere.

"I have significant concerns about a telecommunications infrastructure that has to fly and be refueled," said Daniel Ernst, a senior analyst at Strategic Group, a Washington research firm. "To use planes for someone's core communications needs sounds like a risky venture. They may have a tough time convincing customers that it's a service they can absolutely rely on."

Angel's chief technology officer, Nicholas Colella, responds that HALO planes are more reliable than satellites and have much better coverage than land-based wireless systems.

FedEx, he points out, has proved that aircraft are trustworthy carriers of timely data. Angel's planes would fly far above commercial air space and bad weather and could land at either small or large airports.

And unlike satellite systems, the communications payload on Angel's planes could be upgraded as new technology became available. There also is no danger of an ex-

pensive launch failure such as the one two weeks ago, in which a would-be wireless satellite phone provider, Globalstar, lost 12 satellites when a Ukrainian rocket blew up.

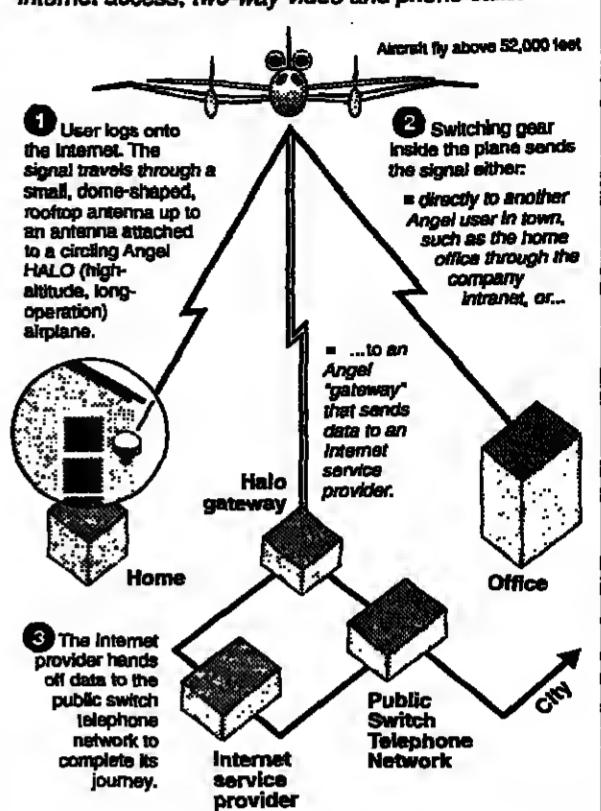
And instead of spending billions of dollars up front to create the instant infrastructure of a global satellite constellation, Angel could deploy its system as markets materialize.

Service for 50,000 customers in a large city would cost about \$75 million to put in place, Mr. Diamandis estimates. It is hard to say precisely how that figure stacks up against a land-based system. But Angel's proponents say that the service would be better — it would give ubiquitous coverage without the problems of buildings getting in the way of signals and without the weather interference that can trouble land-based wireless systems.

But Angel's guardians do not want to be dismissive of the land-based services — they need them as customers. Because Angel does not own the rights to any airwaves (the company decided to stay out of recent auctions for high-frequency licenses), it would have to form alliances with ground-based services or satellite operators who own the licenses.

### Airborne Communications

Angel Technologies Corp. plans to use high-altitude aircraft, circling over cities, to supply high-speed Internet access, two-way video and phone calls.



### TECHNOLOGY INDEX

A glance at technology stock indexes around the world			
North America	Tuesday close	% change previous week	% change year to date
Pacific Stock Exchange Technology	322.98	11.56	
Standard & Poor's Technology Composite	874.41	24.93	
Europe			
Morgan Stanley Eurotec	494.77	28.44	
Asia			
Topix Electric	1431.71	-12.92	

Source: Morgan Stanley, Bloomberg News

- For technology articles from the past week, see the Technology Index on the IHT's World Wide Web site at <http://www.iht.com>. Articles include:
- Alcatel Profit Warning Hammers Entire Sector, Sept. 18
  - German and French Telecoms Get Closer, Sept. 18
  - Alcatel Weighs Significant Share Buyback, Sept. 19-20
  - Philips and EMI Set Stage for Gloomy Reports, Sept. 22
  - Sony and Schwab Discuss Bringing On-Line Trading to Japan, Sept. 23

To reach TribTech editors or to comment on IHT technology coverage, send e-mail to [tribtech@iht.com](mailto:tribtech@iht.com).

International Herald Tribune

## Computer Chiefs Give Europe's Efforts Mixed Reviews

**By Victoria Shannon**  
International Herald Tribune

**PARIS** — In a coincidence of timing, the big guns of some of the world's leading computer companies all came to Paris to deliver their messages in person to the European technology community this month.

But while these prominent personalities agreed in many broad areas — on the importance of education, on the power of the Internet and on the need for more raw computing power — their public comments diverged in ways that could leave technologists confused about Europe's place in the networked world.

Bill Gates, appearing at the annual IDC European Technology Conference, seemed to say that Europe was catching up to the U.S. technology tsunami, that the European environment for Microsoft Corp.'s business had improved and that executives here recognized the need for technology investment.

But Craig Barrett, chief executive of Intel Corp., at a seminar Monday for information technology executives bemoaned Europe's reliance on government regulation, its tax barriers and its high cost of electronic communications.

Steve Jobs, at the annual Apple Expo here last week, brought Europe his newest products and technology, his gratitude for its continued support of Apple Computer Inc. and his charismatic promise not to pull back in the near future.

Perhaps these leading luminaries of the computer scene came off in such different ways because, simply, there still is not a single Europe to talk to: Just as they are culturally and linguistically, European countries are technologically independent and dissimilar.

For instance, to Apple, France represents its biggest and healthiest European market. It is the place that welcomed him — to a crowd that welcomed him with a standing ovation — "always

understood what Apple was trying to do, that understood that computers were for more than just getting the job done, that they were for getting the job done better." It was a sympathetic and warm assessment.

But to Intel, France represents the only country in Europe where it cannot conduct business-to-business sales on the

**Apple sings praises, but Intel remains frustrated.**

Internet, because of restrictions that the government says are for national-security reasons. "We have basically introduced that program everywhere around the world — with one exception," Mr. Barrett said in an interview this week.

Even to simply demonstrate new technology capabilities at its seminar Monday, Intel had to apply to the security office of the French government for a special exemption from the soft-

ware law, good for 48 hours. "To stand up and try to isolate a country or a geographic region from this [technology wave] and deny the fact that it's going to happen I don't think is particularly wise," Mr. Barrett said.

If Mr. Gates, Mr. Barrett and Mr. Jobs had one common word in their mixed messages, for Europe as well as the rest of the world, it was "simplicity."

A new Apple advertisement about the three steps needed to connect to the Internet emphasizes that the iMac computer is so simple that there are really only two steps.

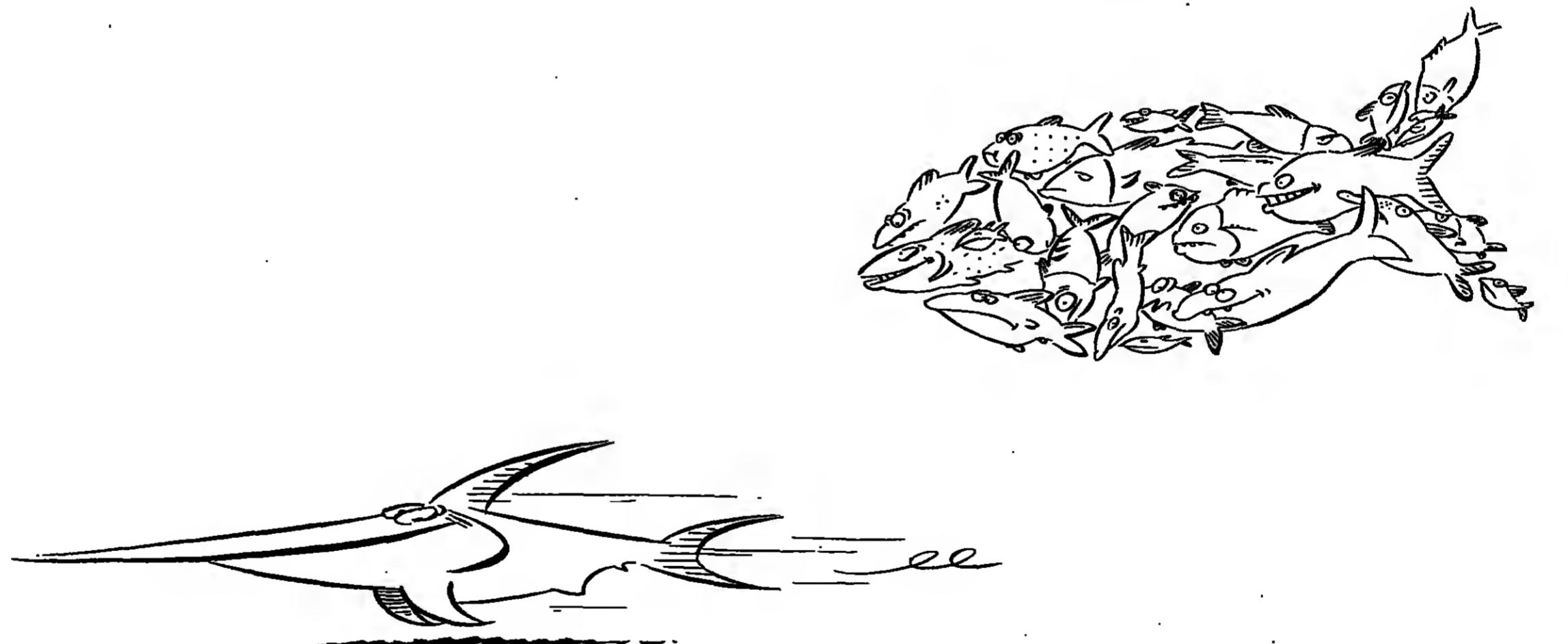
"We think simplicity's really important, and we think we have a dramatic advantage over our competition," Mr. Jobs said.

A lack of simplicity, Mr. Barrett said, "is an industry problem."

At Microsoft, "simplicity is probably our top priority today," Mr. Gates told his Paris audience.

**Victoria Shannon edits TribTech. She can be e-mailed at [tribtech@iht.com](mailto:tribtech@iht.com).**

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MORE THAN A CONNECTION

# Trib Tech

## Endless Bummer

*With the Internet, Surfers Say, Anybody Can Find Perfect Wave*

By Rene Sanchez  
Washington Post Service

MALIBU, California — There was a time when the surfing tribes who lived or roamed along the Pacific Coast Highway to catch some waves could keep cherished patches of water mostly to themselves.

But more than ever, young hard-core surfers are being forced to share waves with a new breed of interlopers, including many middle-aged professionals who are using the Internet and other sophisticated technology to get instant tips on where to find the best breaks or once-secret swells.

This surge of information is creating a surfing showdown along the coast, and at times it is an ugly sight.

In some places throughout Southern California, locals have resorted to spray-painting the lenses of cameras that entrepreneurs are placing atop beach houses, hotels and cliffs to relay up-to-the-minute footage of the ocean to the Internet for surfers looking for the next perfect wave. At other sites, outsiders have had tires slashed and have been threatened, punched or pelted with rocks — harassment known in surfing circles as "localism."

What was once the ultimate expression of California cool, it seems, is becoming another victim: California gridlock.

"It's getting way super-crowded out there," Adam Vars, 19, said on a recent morning during a break in a surfing contest in this beach community just north of Los Angeles.

"You got the Web exploding with all these new sites telling everyone where to go every day, and suddenly you got all these old guys saying, 'Hey, I can

still do it.' It's annoying."

In some respects, the acrimony in the water is not entirely new. Graying surfers and historians of the sport say that as far back as the late 1950s, when filmmakers began glorifying California's surfing culture, locals complained that their secret spots were being exposed. But the speed and scope of the technology available today make those old complaints look quaint.

Along with the cameras, which surf shops and on-line companies post along the beach to promote waves on dozens of Internet sites, are an array of new phone services that high-tech surfers can dial for, daily, or even hourly, scouting reports.

"Those sites are getting thousands and thousands of hits a month," said Steve Hawk, editor of Surfer magazine.

"It's diminishing the advantage that surfers who live near the beach always used to have."

To the dismay of surfing purists, companies also have begun tracking wave patterns from as far away as New Zealand and pinpointing the time and place they will reach California shores.

Surfers can even buy pagers that can be set to beep when waves reach the

height they specify in the locations they select and program.

Surfers call it "hyping a swell" — and they are divided on whether it is a blessing or a curse.

THE trends in technology, along with the fact that surfboards have never been lighter or sturdier, are luring droves of the middle-aged back to a pastime they abandoned in their youth or regretted not trying years ago — and setting off a boom in the business.

In some surf spots, it is not unusual to see professionals paddling into the water carrying trappings of their jobs — pages or cellular phones in waterproof cases.

"I've seen guys on the phone out there while they're waiting for the next wave," said Pierce Flynn, 44, executive



Surfers catching a wave at Huntington Beach, California. The ocean is being crowded out by outsiders or former surfers using the Internet to discover the best breaks or once-secret swells.

director of the Surfrider's Foundation, a nonprofit beach-preservation group.

### SITES

Daily updated video clips and detailed surf reports with links to surf cam locations can be found at:

[www.surfcheck.com](http://www.surfcheck.com)

The Real Surfing site offers many links, surf reports, weather and other surfing information for locations around the world at:

[www.real-surfing.com](http://www.real-surfing.com)

The Malibu Surfing Association's Web site dedicated to preserving and promoting the classic art of longboard surfing can be found at:

[msa.earthbiz.net](http://msa.earthbiz.net)

interest in the old machines, Mr. Tytell said. "Some gal graduated from Barnard, and her family decided to make her a present of the typewriter that her grandma used, with champagne and everything," he said. "Something's going on there."

As he talked, a young man from Brooklyn carried in a slightly battered Mercedes Selecta, an antique manual typewriter that he had bought at a yard sale as a gift for his girlfriend, an aspiring author. "She wants to write with,

### ALT /Commentary

## Remember Typewriters? They Have Their Pluses

By Clyde Haberman  
*New York Times Service*

NEW YORK — You have probably already read, and you can expect to read a lot more in the coming months, about something called Y2K, which is shorthand for the programming bug that will prevent millions of computers from recognizing the year 2000 when it comes around because they were weaned on a two-digit system for dates. This year, for instance, is rendered simply as 98, with the 19 assumed.

Expectations are that many machines will go cross-eyed with the approaching double-ought rollover, believing that we are back in 1900 and not in 2000.

Terrible consequences have been predicted. But even if you are among those who suspect the world will somehow muddle through, you have to sneer at a technology that lacks the sense God gave a desk calendar.

Martin Tytell had to laugh. Y2K? "To tell you the truth," he said the other day, "it doesn't bother me at all."

Of course it does. Computers are meaningless to Mr. Tytell, who at 85 is one of the few remaining typewriter repairmen in New York City.

Mr. Tytell has been building and repairing typewriters for 70 years, the last 30 in a crowded shop up a flight of stairs from Fulton Street in lower Manhattan. In his bow tie and white lab coat, a pen planted in the breast pocket, he is master of a realm of cogs and key caps, of rollers and ribbons, all competing for space with hundreds of typewriters in English, German, Russian, Greek, Hebrew, Arabic, Farsi, you name it.

Every few years, someone with a pen and notepad climbs the stairs to see how this throwback to the pre-computer age is getting along. The visitor is always rewarded with grand tales of how Mr. Tytell and his wife, Pearl, verified documents by the typewriters that were used, how during World War II they built machines in 145 languages for the U.S. Army, how an upside-down letter in Burmese inadvertently installed by Mr. Tytell became the accepted standard for all Burmese typewriters.

The purpose of the journey this time was to see whether computers had finally dealt typewriters a fatal blow. Fortunately, the answer was no.

Young people, women in particular, for some reason, have shown new interest in the old machines.

the same tools Hemingway wrote with," the Brooklyn man explained.

Mr. Tytell says that typewriters have a soul, unlike you know what.

Is there any question which kind of machine is healthier for you? In the typewriter's heyday, you never heard about repetitive stress injury, or about eyestrain, from staring at blinking images.

Typewriters also fostered mental health. Think of all the computer weirdos you read about these days, like the cyborgs who committed mass suicide last year. You never had anything like that with the Smith-Corona crowd.

As for durability, "You show me the computer that's going to last 15 years," Mr. Tytell said.

"Bot with these" — his hand swept across a row of old Olympias — "you wipe them off, and they're good for another 20 years."

And he expects to be around to oversee them, if not for decades then certainly beyond the irrelevant Y2K.

### Jupiter CONSUMER ONLINE Forum

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CURRENT

## INTERNATIONAL BUSINESS/FINANCE

THURSDAY, SEPTEMBER 24, 1998

PAGE 13

**Brazil's Leader Shifts Aid Stand****Cardoso Now Open to IMF Help**

Compiled by Our Staff Dispatches

**BRASILIA** — President Fernando Henrique Cardoso said Wednesday that he would support international aid to shore up the country's battered finances, reversing previous reluctance on this.

With \$120 billion in government debt due before the end of the year, Brazil needs to instill confidence among investors, who have been wary of buying government securities because of rising interest rates and the threat of a devaluation.

Mr. Cardoso's comments — in the midst of his re-election campaign — bolstered optimism that Latin America may avoid the devaluations and recessions plaguing Asia.

Brazil's benchmark stock index jumped 10.98 percent.

"I am convinced that the G-7 countries and the international institutions should make sufficient resources available to international institutions to create a crisis prevention fund to be used in case of necessity by the Latin American countries," Mr. Cardoso said in a speech.

His request for aid — a condition set by lenders such as the International Monetary Fund and the Inter-American Development Bank — are the latest move in a campaign to stem capital flight that has drained more than \$15 billion this month.

Benchmark interest rates have been pushed to 49.75 percent as the government's foreign reserves shrank to below \$50 billion from \$75 billion in mid-August.

J.P. Morgan & Co. forecast the economy would tip into recession next year, shrinking up to 2 percent because of

rising borrowing costs.

The Inter-American Development bank approved Wednesday a \$1.1 billion loan for Brazil, the largest in the history of the organization, a bank official said.

"If it is in the country's interests to come out with a deal with these institutions, we will," said Mr. Cardoso, referring to the IMF and the Inter-American Development Bank.

Brazilian media reports say that the country's creditors could make a possible credit line of \$50 billion available to the country. Finance Minister Pedro Malan has said in an interview that a \$26 billion package is in the works.

Mr. Cardoso, who has already slashed government spending to insulate Brazil from the emerging markets crisis, announced that he would implement a plan to cut the budget deficit by cutting spending further and "if necessary, increasing taxes."

The program to reduce the deficit would be implemented in the coming weeks, "regardless of who is elected president" in the forthcoming elections, he said. The first round is Oct. 4.

"I am determined to make the sacrifices necessary to get the economy



Brazilians passing a poster on Wednesday, put up by a labor union, showing Mr. Cardoso with a machine gun, astride health service workers, civil servants, the landless and retired.

growing again," Mr. Cardoso said, referring to the woes that Brazil has suffered as part of the global financial crisis.

He said the fiscal adjustment package, which will be presented in November and will span 1999 to 2001, would begin to show results in 1999.

Tackling tax evasion and increasing the number of people paying taxes," he said, would be a key plank of the package to cut the budget deficit, which at \$38 billion now equals more than 7 percent of nation's \$800 billion gross domestic product.

But in a live television address, Mr. Cardoso warned: "The state must live within its means and stick to its spending limits in order to solve this problem once and for all.

"The state cannot convert itself into a

burden on the economy."

Mr. Cardoso also reiterated his determination not to devalue, stressing that he "would do everything possible to protect the real," Brazil's currency.

The deficit makes the country vulnerable to swings in interest rates and a weaker currency. Two-thirds of Brazil's \$300 billion of domestic debt is floating-rate securities. Another large chunk is pegged to the dollar.

The key to the budget cuts is an overhaul of pension laws, which has been stalled in Congress since 1995.

Brazilian law allows people to retire early, inducing many people to leave before the age of 50 and accumulate benefits that will make the government pay some \$7 billion this year more than it collects in pension taxes.

(Bloomberg, AFP)

**IMF Admits Making Errors in Asia Crises****But Cardessus Says Worst Is Over for Some**

Agence France-Presse

**FRANKFURT** — The International Monetary Fund has made errors in predicting and preventing the financial crises rocking southeast Asia and Russia, the IMF's managing director, Michel Camdessus, said.

In an interview with the German weekly *Die Zeit* to be published Thursday, he said that the IMF had not been properly informed about short-term capital movements and should have done more to monitor the financial sectors.

"Yes, we have made mistakes," he admitted. "For instance, we did not take notice of information on short-term capital transactions soon enough. But either the authorities in the crisis countries did not have the data then or they did not want to release them because they were so worried."

Separately, Mr. Camdessus said in Paris that Japan was set for recovery in the second half of next year. He said that for several Asian countries, at least, "the worst has passed."

In Japan, the motor for Asia's economy, "the second half of next year should be the year of recovery" following a "catastrophic" year during which the economy was likely to contract by 2.5 percent or more, he said.

Other Asian countries would begin to recover in 2000 or 2001, Mr. Camdessus said, adding that "growth would already have begun to recover if we had not had a crisis at the heart of the crisis, which is the Japanese crisis."

Mr. Camdessus told *Die Zeit* he was "very concerned" about the situation in Malaysia, saying state controls were no substitute for sound economic policy.



Agence France-Presse  
Mr. Camdessus forecasts recovery.

Prime Minister Mahathir bin Mohamad has announced sweeping currency controls to insulate the battered economy including a fixed exchange rate and plans to abandon the convertibility of the ringgit starting next Thursday.

The IMF warned Malaysia this month that its controls on capital flows must be only a short-term measure, reminding it not to back away from financial reform.

"The measures will isolate the country from the rest of the world in the long term," Mr. Camdessus said.

But he pointed to success in parts of Southeast Asia, saying IMF aid programs were beginning to show fruit after successive crises in Thailand, Indonesia and South Korea. Trade figures have improved in these countries, he said, inflation is under control, and interest rates have gone down.

Mr. Camdessus said he was in Asia "when it became horrifyingly clear that the problems in Russia were very similar, it was struggling under macro-economic imbalances, a sick banking system and crookedness."

Russia's new cabinet is due to unveil its prescriptions for the country's chronic economic malaise Thursday.

But Anatoli Chubais, Russia's former envoy to the IMF, said in an interview published Wednesday that only IMF money could save Russia from a "catastrophe" and added that the government would have to put together a convincing program to secure the IMF's confidence — and loans.

Mr. Camdessus said in Paris that he would want Prime Minister Yevgeny Primakov of Russia to save the ruble and the country's budget and restructure domestic debt in a "civilized" way for creditors before the IMF would resume its loan programs.

**Oil Firms' Chiefs To 'Brainstorm' Amid Hard Times**

Compiled by Our Staff Dispatches

**LONDON** — Heads of some of the world's biggest oil companies will meet in Italy at the end of next week with their industry facing depressed prices and an uncertain future.

The meeting Oct. 3 and 4 in Venice will gather top executives from about 20 oil companies to discuss restructuring, technological changes and geopolitical issues including the Asian crisis and developments in the Middle East and the former Soviet Union.

Nader Sultan, deputy chairman of Kuwait Petroleum Corp., said the meeting was one of three or four normally held each year among the heads of the world's major oil companies. These are "brainstorming meetings on whatever is topical at the time they meet," he said, adding that he had "no great expectations" for the meeting.

Petroleum Finance Co., the consulting firm that will be the host for the meeting, said it would "provide a discreet forum at the highest commercial level, as opposed to political level."

Oil prices, which are near a 10-year low and down about 22 percent from a year ago, will not be discussed, because the meeting was convened before the latest price collapse, said Mohammed Abduljabbar, a senior advisor at Petroleum Finance.

While some say the meeting will be a way for companies to reinforce relationships and seek opportunities to work together, others place less importance on it because it is not an emergency meeting.

"It's not unusual to hold industry meetings of this sort," said Stefan Rating, a spokesman for the European competition commissioner, Karel van Miert. "Obviously we'll look at whatever topics they're planning to discuss, but we don't prima facie think it'll be anything controversial."

(Bloomberg, AFP)

**ECONOMIC SCENE****Euroland Asking Questions About Italy and Ireland**By Alan Friedman  
*International Herald Tribune*

that its economy was running at a 3.9 percent annualized pace in the second quarter. (Page 15)

And since low interest rates are already boosting consumer spending and investment in Spain, there is a chance that bringing rates down to 3.3 percent could cause some overheating. But for Spain this is a marginal problem, as the additional boost gained from lower rates should be balanced against the backdrop of much slower global growth in general.

Italy and Ireland, by contrast, are two Euroland members with differing yet subtler domestic problems that have kept interest rates dramatically high. Italy's central bank rate is 5 percent while Ireland's is 6.19 percent.

The European rate debate gained prominence last week, when Hans Tietmeyer, the Bundesbank's still-influential president, first rejected a suggestion from President Bill Clinton of globally coordinated rate cuts as a solution to the emerging markets crisis. Then he reminded the high-rate countries in Euroland that they should be bringing rates down to achieve a single rate for all members of the euro, as required by year-end.

Bringing rates down in these countries should also spur growth in an area that accounts for about a third of the gross domestic product of Euroland.

Yet, this week the head of the European Central Bank, Wim Duisenberg, said he feared that instead of there being a gradual converging of interest rates in the 100 days before the launch of Europe's single currency, there could be "a steep fall in a single day."

Neither Mr. Tietmeyer nor Mr. Duisenberg named names, but economists immediately understood that they were talking about some of the five countries — Finland, Ireland, Italy, Portugal and Spain — that still have rates higher than 3.3 percent.

Finland, where the rate is 3.4 percent, is not a problem. Likewise, Spain and Portugal, with rates of 4.25 percent and 4.5 percent, are perceived as euro-team players that are likely to move ahead with a glide path of downward rate moves between now and Christmas.

It is true that Spain's growth rate is much higher than the likely Euroland average for 1998, which should be about 2.8 percent. Spain reported Wednesday

convergence and almost sounds like an excuse for not cutting rates."

Mr. Cottrell predicts that "if Prime Minister Romano Prodi presents a budget that the Communists reject, I am sure Mr. Fazio will delay interest rate cuts until late December."

Ireland has a different problem.

With a skilled labor market, continuing inward investment, a booming export sector and low corporate taxes, Ireland has become, in the words of Ms. Cottrell, "a Celtic tiger economy."

Anticipation of the inevitable and sharp interest rate cut of nearly 3 percentage points that will occur in Ireland has already brought down mortgage and long-term interest rates and has helped

to power economic growth that could be more than 9 percent this year.

When Irish interest rates drop from 6.19 percent to as low as 3.3 percent, the economy will risk overheating, and that is a genuine consideration.

Ultimately, the effect of interest rate convergence will be to bring down the overall average rate among the 11 countries launching the euro from its present 3.74 percent to 3.3 percent.

That, says Holger Schmidinger, an economist at Merrill Lynch in London, amounts to an effective half-point rate cut for Euroland. The effect of the cuts, of course, will be felt at first more in peripheral Europe, in countries such as Italy, Spain, Portugal and Ireland.

anyone but people who speak English."

Students refer to the courses as "boot camps" because Mootrey suggests that executives divorce themselves from the office and disconnect the telephone during the six weeks. Some are so committed to the process that they stay in area hotels. Others, typically executives from foreign countries who are not living in an English-speaking ghetto where they cannot communicate with

**Expatriates' Families Get New Attention**By Diane B. Lewis  
*The Boston Globe*

**BOSTON** — As global trade has grown, corporate America is doing a lot more to prepare executives for overseas assignments, and that means responding to the needs of spouses and children.

Take, for example, Gillette Co., based in Boston.

After an executive is selected for overseas travel, Gillette sends the employee and spouse overseas for a weeklong visit designed to help the family look at schooling, housing and neighborhoods and help them from our relocation concerns before a permanent move is made, said Frank O'Connell, director of global compensation for Gillette.

According to a study of 400 international executives by Berlitz International Inc. and the Institute for International Human Resources, based in Virginia, the typical expatriate is male (84 percent), between 39 and 45 (57 percent) and married with a spouse or family that will accompany him or her on the assignment (82 percent).

"Very often the spouse needs training more than the employee," said Michael McCallum, national director of business development for Berlitz International Inc. "Typically, the employee will have a network of people to talk to, but the spouse is going to have to keep the home together and negotiate outside the house on a daily basis. If relocation fails, it is because a family member is unhappy."

To assist employees in the transition, Berlitz does cross-cultural training and language instruction for the entire family — a significant change from the company's early reputation as an international language institute that focused on offering instruction to the rich.

Ms. Dolins recalls an employee who returned home abruptly after only one year, several months after his wife had thrown up her hands and returned to the United States.

"His wife hopped a plane after only two months abroad, and now they are getting a divorce," said Ms. Dolins. "He felt the whole family fell apart because of the assignment."

At the Monterey International Institute in California, employers pay a minimum of \$39,000 for a six-week language "camp" that teaches

the executive the host company's language and prepares his or her spouse and children to live abroad.

"It costs companies a fortune to send someone overseas," said Jeannie Wattis, program manager for custom language services at the Monterey Institute. "It is a much better investment if the expatriate and his family are able to speak the language, understand the culture and are not living in an English-speaking ghetto where they cannot communicate with

**Christian Dior****1998 first half results**

For the six months to the end of June 1998, the Christian Dior Group turnover was FF 21,026 million and net income from operations — before amortisation of goodwill — was FF 665 million, compared to FF 22,176 million and FF 776 million respectively for the equivalent period in 1997.

(million FF)  
Turnover 21,026 22,176  
Net income from operations before goodwill amortisation 1,881 2,285  
Of which share of the Christian Dior Group 665 776  
Net income 1,773 2,102  
Of which share of the Christian Dior Group 746 699

Christian Dior Couture turnover was FF 635 million, slightly above the 1997 level. The increase in direct sales recorded by the retail network in Europe and in the United States, particularly in the ready-to-wear for women, which has increased by more than 50 percent since the arrival of John Galliano, enables the Company to compensate for the weakness in the Asian markets.

The net income recorded a loss of FF 36 million, due to the revised strategy aimed at phasing out agreements with licensees and increasing sales through the retail network. In particular, the net income figures were affected by the sharp decrease in license revenues resulting from the phasing out of licensees in Japan. In the medium term, however, the new strategy should enable the Company to more than recoup the reduction in net income caused by this phasing out of license agreements.

The outlook for the second half of 1998 should be assessed with caution, as the Group's economic environment is deteriorating. Though sales volume in Japan remains satisfactory, the economic situation in the rest of Asia was further affected by the decline in the value of the Japanese yen. In addition, new sources of uncertainty recently emerged in other parts of the world, notably Russia and Latin America, and the weakening of the US dollar is beginning to weigh on European economies. Under these circumstances, the Group expects to post a decline in profitability for 1998 as a whole.

\* \*

A dividend prepayment of FF 630 per share will be paid on December 1, 1998.

**CURRENCY & INTEREST RATES**

		Sept. 23									
		Libid-Libor Rates					Sept. 23				
		Dollar	Deutsch	French	Swiss	Yen	U.S. Poste	British	French	German	ECU

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## THE AMERICAS



## Prices of PCs Plunge in the U.S., Led by Drop in Memory-Chip Cost

Fully Functional Systems Are Available for Less Than \$1,000

By Elizabeth Corcoran  
Washington Post Service

**WASHINGTON** — Prices always fall in the personal computer business, but never have they experienced the wild powered descent of the past 18 months in the United States. Fully functional systems equipped for the Internet and up-to-date software today often sell for under \$1,000, a price that not so long ago fetched just obsolete castoffs.

At the CompUSA superstore in San Jose, California, you can pick up a Packard Bell operating at a zippy speed of 300 megahertz for about \$900 after rebates. That includes a monitor and a Canon color printer. At Office Depot outside San Francisco offers a similar \$900 deal on a Hewlett-Packard Pavilion 6330 (also with monitor and printer).

"There absolutely has been a steady decline this year than previous years," said Cathryn Baskin, editor in chief of PC World magazine in San Francisco. "In the past when a PC hit that magic \$1,000 price point, it was a fire sale of old technology that wasn't worth much."

Analysis see three big factors at work:

An old-fashioned price war is driving prices down.

Software now on the market does not require the more advanced systems, which for years have been priced at \$2,000 and up.

And the financial crisis in Asia is benefiting American computer buyers. As companies in the afflicted countries fight to retain sales, they are slashing prices for memory chips and other components.

Most analysts say that Compaq Computer Corp. started the big slide in prices in February 1997 by debuting a \$999 "full-featured multimedia" model of its Presario line of computers, without a monitor. Other industry leaders weren't far behind. By last Christmas, Hewlett-Packard Co. had a version of its Pavilion line on the market for \$1,000 — including monitor.

The drop helped computer companies find customers among people who could not afford the earlier \$2,000 price tags. A survey by market research firm Dataquest of San Jose in April found that between 75 percent and 80 percent of those buying the inexpensive PCs were first-time buyers.

The price decline also reflected the state of the parallel development of hardware and software. Hardware had moved well ahead in the race. There wasn't much software that needed the processing power of the higher-end machines.

Even the lowest-end hardware outpaces the software most of us use," said Mike Feibus, a principal analyst at Mercury Research, a market research firm in Scottsdale, Arizona. "For the vast majority of us, there isn't a reason to spend more" and get the latest hardware.

Not only microprocessor costs have fallen.

"The industry as a whole has seen some of the biggest declines in memory prices over the last six months," said Patrick Moorhead, who directs product marketing for Compaq Computer Corp.'s Presario line of computers.

"We're doing things that are reassuring investors."

European markets also rose

key index closed 5.4 percent higher on optimism about bank earnings. In London, the Financial Times-Stock Exchange index of 100 stocks rose 2.18 percent.

On Wall Street, United Technologies led the Dow higher, gaining 4.3/16 to 80% after its chief executive predicted the world's biggest air conditioner and elevator maker would earn more money this year than analysts had forecast. The company said strong sales in the United States and Europe would offset lower revenue from Asia.

The Nasdaq outpaced other indexes as technology issues posted strong gains, led by the stocks of Internet companies such as Yahoo! and Excite.

Yahoo! surged 14.15/16 to 117/16 as AT&T said it had expanded its marketing partnership with the Internet search directory to create a co-branded internet service. AT&T also said it had teamed up with Excite and SBC Communications to offer a package of Internet hookups on computers sold by Dell Computer. That sent Excite shares soaring 9% to 374. Dell rose 4.5/16 to 644.

PhyCor fell 2.5/32 to 5/4 after the physician-practice manager predicted weak earnings.

"World leaders are taking proactive steps," said Doug Myers, head of equity trading at Interstate Johnson Lane. "They're doing things that are reassuring investors."

European markets also rose strongly, led by Spain, where the

## Stocks Race Ahead On U.S. Rate Outlook

Compiled by Our Staff From Dispatches

**NEW YORK** — Stocks soared Wednesday on expectations that U.S. interest rates could be cut soon, offering scope for stronger corporate profits.

The Dow Jones industrial average rose 257.21 points to close at 8,154.41, and the Standard & Poor's 500 index was up 36.46 at 1,066.09. The Nasdaq composite rose 62.47 to 1,760.27.

### U.S. STOCKS

Gaining issues outnumbered losing ones by 3-to-1 ratio on the New York Stock Exchange.

Alan Greenspan, the chairman of the Federal Reserve Board, told the Senate Budget Committee that the widening financial crisis would require policymakers to be "especially sensitive to the deepening signs of global distress."

The comments suggested that Mr. Greenspan might argue for a reduction in the overnight bank lending rate when the policy-making Federal Open Market Committee meets next week. If so, it would be the first Fed policy change in 18 months and the first interest-rate cut in 32 months.

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PhyCor fell 2.5/32 to 5/4 after the physician-practice manager predicted weak earnings.

The gain in stocks drove down bond prices: the price of the 30-year Treasury fell 8/32 to 105, lifting the yield to 5.17 percent from 5.16 percent Tuesday.

(Bloomberg, AP)

### Very briefly:

ConAgra Inc.'s first-quarter profit fell 8 percent, to \$109.3 million, amid excess supplies of pork and beef and lower export demand in Asia. It was the company's third consecutive quarterly profit decline.

Hoyts Cinemas Group of Australia and GC Cos. of the United States plan to spend \$350 million to build movie theaters in South America.

Dean Foods Co.'s first-quarter profit fell 1.4 percent, to \$21.2 million, as its interest expense more than doubled.

Schering-Plough Corp., which produces the world's best-selling allergy drug, Claritin, will split its stock 2-for-1 on Dec. 2 amid what the company said were expectations of continued strong growth in earnings.

Bell Atlantic Corp. plans to repurchase as much as \$1.4 billion of its common stock before Oct. 1, 2000.

Lehman Brothers Holdings Inc.'s third-quarter profit fell 23 percent, to \$151 million, after the company posted trading losses in global markets.

Kaufman & Broad Home Corp.'s third-quarter profit rose 83 percent, to \$21.1 million, surpassing analysts' estimates, amid strong demand for housing.

(AP, Bloomberg, AFP, Reuters)

The Trib Index					
	Jan. 1, 1992 = 100	Level	Change	% change	year to date % change
World Index	173.29	+1.35	+0.79	+0.69	
Regional Indexes					
A/Asia/Pacific	68.84	-0.03	-0.04	-28.34	
Europe	205.89	+0.03	+0.01	+5.66	
N. America	242.10	+4.25	+1.79	+12.09	
S. America	83.15	+2.39	+2.96	-45.54	
Industrial Indexes					
Capital goods	230.76	+3.89	+1.85	+18.07	
Consumer goods	213.93	+0.98	+0.46	+2.00	
Energy	199.34	+1.04	+0.94	+1.78	
Finance	112.33	+0.51	+0.46	-8.68	
Miscellaneous	144.10	+0.64	+0.45	-3.86	
Raw Materials	162.61	+0.98	+0.61	-2.77	
Service	186.83	+1.61	+0.87	+7.18	
Utilities	164.29	+1.21	+0.74	-1.55	

The International Herald Tribune World Stock Index tracks the U.S. dollar value of 260 internationally investable stocks from 25 countries. Compiled by Bloomberg News.

### Alcatel Shops for U.S. Acquisitions

Bloomberg News

**NEW YORK** — Undeterred by its profit warning last week, Serge Tchuruk, chief executive of Alcatel SA, said Wednesday that the French maker of phone equipment was planning more U.S. acquisitions to gain advanced technology.

Alcatel said last week that earnings would not meet forecasts this year as European customers cut spending and a recession in Southeast Asia slows sales. Its shares have since fallen by nearly 40 percent.

Alcatel has already purchased the Texas-based DSC Communications Corp. for \$3.18 billion. Mr. Tchuruk said it was looking at smaller companies with products that carry data on networks at high speeds, pitting it against Lucent Technologies Inc. and Northern Telecom Ltd., the biggest North American equipment makers.

"You don't get into the U.S. market unless you have some technology that gives you headway," Mr. Tchuruk said.

Alcatel could begin making more acquisitions within "the next few months," he said, and spend "a few hundred million dollars," Mr. Tchuruk declined to name candidates.

Alcatel finished 56 francs higher at \$70 (\$100.48) in Paris, and its American depositary receipts were up \$1.50 in late trading at \$19.50.

Bridge News

**NEW YORK** — The dollar rose against the yen Wednesday after a meeting between President Bill Clinton and Prime Minister Keizo Obuchi yielded no concrete steps to pull Japan out of its economic slump.

"The market had set itself up to believe Obuchi would deliver some banking reform," said Michael Sciarato, currency strategist at Bankers Trust. "And the comments made by Japan and U.S. officials following the summit implies they are as far away from banking reform as they have been for the past few months."

Mr. Obuchi's visit to the United States came as an initial agreement between the governing Liberal

Democratic Party and the opposition over banking Japanese reform legislation showed signs of unraveling. The two sides are seeking to resolve

### FOREIGN EXCHANGE

their differences and approve legislation on banking restructuring before the current parliamentary session ends in early October.

"If the Japanese do not deliver both bank reforms and tax cuts," Mr. Sciarato said, "then we can see rates at 145.00 yen in three months."

The dollar rose to 135.83 yen in 4 P.M. trading Wednesday from 135.39 yen Tuesday.

Japan's main opposition party blasted Mr. Obuchi on Wednesday for making "obscure" promises to Mr. Clinton. The two sides differ on the government's plan to use taxpayer funds to support ailing banks.

The dollar was held back against European currencies by suggestions from the chairman of the Federal Reserve Board, Alan Greenspan, that the Fed might reduce interest rates in the near term.

The dollar slipped to 1,6781 Deutsche marks from 1,6814 DM, to 1,3895 Swiss francs from 1,3897 francs and to 5,6455 French francs from 5,6454 francs.

The pound rose to \$1.6849 from \$1.6845.

### INTERNATIONAL FUTURES

Sept. 23, 1998

High Low Last Chg Chg/Opnt

Grains

ORANGE JUICE (COMEX) 15,000 bushels per contract

CPN 98/09/22 1507 1507 1494 -1.10 15,501

Jan 99 120.20 119.00 107.00 -1.15 7,465

Mar 99 116.20 116.00 110.55 -1.15 10,550

Open Int. 15,000 bushels per contract

Ext. value 41,200 Prc. Prev. value 42,713

Prc. open Int. 62,612 off 2,448

Ext. value 42,711 off 4,497

ITALIAN GOVERNMENT BOND (LIFFE) 100 million pts. of 100 pc

Race Ahead  
S. Rate Outlook

## EUROPE

## Murdoch's Daughter Steps Into Limelight

By Matthew Lynn  
*Bloomberg News*

**LONDON** — Ecco as Rupert Murdoch's News Corp. said the media tycoon's estranged wife, Anna, had left the company's board, his daughter Elisabeth, 30, appears to be preparing a push to prominence within the company.

In London, many people see Elisabeth as the force behind British Sky Broadcasting PLC's recent

**INTERNATIONAL MANAGER**  
purchase of the Manchester United soccer club, England's most glamorous team, for £625 million (\$1.05 billion).

As general manager at BSkyB, which is 40 percent-owned by News Corp., Elisabeth has been given credit for acting boldly in securing the team's brand name.

Many had assumed that Mr. Murdoch's eldest son, Lachlan, 27, would eventually be appointed heir when Mr. Murdoch, 67, decides to loosen his grip on his empire. Lachlan Murdoch now runs News Corp.'s Australian newspapers, a small part of the overall business —

but the place where Rupert started as a young man.

The jostling for succession among the junior Murdochs has become more intense over the past two weeks.

As part of that competition, The Manchester United purchase appears to be an attempt by Elisabeth to prove that she has the qualities required to run the company.

News that Mr. Murdoch was buying the most popular team in Britain has already sparked a scramble for control of other leading British clubs.

Carlton Communications PLC has already opened talks with London's leading team, Arsenal. Other media companies are looking for teams to buy. Eric P.L.C., an investment company, has approached London's Tottenham Hotspur and has just taken control of FC Basel in Switzerland.

Corporate ownership of sports teams has a long history in the rest of Europe. In France, Canal Plus SA has control of Paris St. Germain; in Italy, Silvio Berlusconi, the media magnate and ex-prime minister, controls AC Milan. Fiat SpA controls Turin's Juventus. Philips NV

owns one of the Netherlands' leading teams, PSV Eindhoven.

The imminent arrival of a European Super League, a new international rivalry that holds the promise of untold riches, has



Elisabeth Murdoch, 30, could emerge as her father's successor.

sparked the race among media companies to own European teams. The new league is believed to have the potential to persuade millions of viewers across the Continent to subscribe to pay television.

## Low Interest Rates Put Vigor Into Spain's Economy

Courtesy of Our Staff From Dispatches

**MADRID** — Spain's economy grew 0.9 percent in the second quarter from the first three months, data showed Wednesday, as record low interest rates lifted consumer spending and investment.

The National Statistics Institute said gross domestic product grew an annualized 3.9 percent in the first quarter compared with a year ago.

The data confirmed one of the highest growth rates in Europe and marked Spain's best performance since the second quarter of 1990.

"The figures just underline that the Spanish economy is booming and is going to continue to do so," said David Brown, an analyst at Bear Stearns in London.

The report underlined how the 11 EU countries forming the euro zone next January are still divided into a group of faster growing countries, such as Spain, Ireland and the Netherlands, and a group headed by Germany.

Spain is the euro zone's fourth largest economy.

"There are definitely two speeds

of growth in Europe right now," said Chema Caballero, fund manager at Banco Santander.

"The question is if the faster-growing countries are capable of giving the slower ones a boost."

So far, robust economic expansion has helped Spain to slash its high level of unemployment with expected job creation of about 400,000 people this year.

Despite that, Spain's jobless rate at 17.8 percent in the three months from May to July — remains the highest in the European Union.

Although both analysts and the government expect some negative impact from the worldwide financial crisis, the Bank of Spain maintained its prudent stance earlier on Wednesday, leaving its key money market rate steady at 4.25 percent.

That came despite pressure for convergence with lower core European rates with only 12 weeks remaining before the official start of European economic and monetary union.

Spanish domestic demand in-

creased 4.4 percent in the second quarter, equal to a revised 4.4 percent in the first quarter. Private consumption rose 3.4 percent versus 3.5 percent in the previous period.

Underpinning the economic growth were swelling sales of consumer products, such as cars and

mobile telephones, three-fifths of the GDP.

The economy minister, Rodrigo Rato, said earlier this week that the government had revised its projection for 1999 growth to 3.8 percent from 3.9 percent, to reflect the world crisis.

(Bloomberg, Reuters)

## Bayer Joins Forces With U.S. Drug Developer

Bloomberg News

**LEVERKUSEN, Germany** — Bayer AG said Wednesday it would pay the U.S. drug developer Millennium Pharmaceuticals Inc. \$465 million to fund its research and buy a 14 percent stake, forming an alliance to develop drugs based on genetic technology.

The U.S. company said Bayer, Germany's second-largest drugs and chemicals maker, would get access to Millennium's technology for genome research and a flow of compounds for drug development over a five-year period. Last week, Bayer, which makes Bayer aspirin

and One-a-Day vitamins, agreed to buy a diagnostic-products unit from the U.S. drugmaker Chiron Corp. for \$1.1 billion.

Bayer will pay as much as \$368.4 million in research funding and license fees during the five-year term of the agreement. The move continues Bayer's efforts to reduce its dependence on chemicals and increase its emphasis on more profitable health-care products. In linking up with a U.S.-based biotechnology company, it is following in the footsteps of its rival European drugmakers Roche Holding AG and Novartis AG, which

have shareholdings in Genentech Inc. and Chiron, respectively.

"This is good news for Bayer on top of buying the Chiron unit and floating Agfa," said Christo Baehr, an analyst at BHF Bank.

"Bayer had a lack of competence in biotech, so this acquisition was the correct strategy." Bayer's shares rose 2.25 Deutsche marks to close at 65.65 DM (\$39).

The company said last week it would list as much as 75 percent of its photographic and imaging unit Agfa-Gevaert AG in a public offering next year as part of its drive to emphasize health products.

Very briefly:

• Nokia Oy predicted that the number of mobile-telephone subscribers worldwide would reach 1 billion in 2005 and said the strong development of its market this year had reinforced its positive expectations for its third-quarter earnings, which are due Oct. 23.

• Unisys SA's first-half net profit rose to 2.04 billion French francs (\$358.7 million) from 801 million francs a year earlier, but the company warned that conditions in the second half would be less favorable than in the first half.

• Sun Life & Provincial Holdings PLC, Britain's seventh-largest insurer, said first-half profit rose 7.89 percent, to £121.6 million (\$204.7 million), a strong life insurance and pension profitability offset a decline in general insurance.

• Philips NV said the chairman of its Dutch unit, Jan Post, had resigned of "his own accord" and that a successor had not been named.

• Storebrand ASA, Norway's leading insurer, said a merger with Christiania Bank ASA, a partly state-owned bank, was no longer under consideration. The company said it did not want to become involved in "difficult and complex" merger negotiations among Christiania, Fokus Bank ASA and Postbanken.

• Avus Europe PLC said strong demand for its cars and price increases lifted first-half profit 33 percent, to £40.47 million.

• Accor SA, Europe's largest hotel operator, said it was interested in acquiring all of Frantour, a French hotel and travel-agency company being sold by France's national railway operator, Societe Nationale des Chemins de Fer Francais.

• Alcatel SA published a financial note in newspapers detailing a plan to buy back as many as 10 percent of its shares and said it planned to finance the repurchase with its own resources or with debt.

• International Business Machines Corp. said the head of its operations in Germany, Hermann-Josef Lamberti, would step down Oct. 31.

• Siemens AG predicted an improvement in the computer-chip industry after it said falling prices had forced it to post a loss of more than 1 billion Deutsche marks (\$590.9 million) for its semiconductor unit this year.

Reuters, Bloomberg, AFP

## Bertelsmann, Its Profit Up, Plans Sales On Internet

Courtesy of Our Staff From Dispatches

**GUETERSLOH, Germany** — Bertelsmann AG, the world's third-largest media company, said Wednesday its 1998 profit rose nearly 10 percent as U.S. sales offset lagging profit at its European clubs.

The company, which reports earnings only once a year, completed the purchase of Random House for an estimated \$1.1 billion in July to strengthen its position in the United States, the world's largest book and entertainment market. Random House will begin contributing to earnings in 1999.

Bertelsmann earned 1.12 billion Deutsche marks (\$661.2 million) in the year ended June 30, up from 1.02 billion DM the previous year. Sales rose to 22.9 billion DM from 22.4 billion DM.

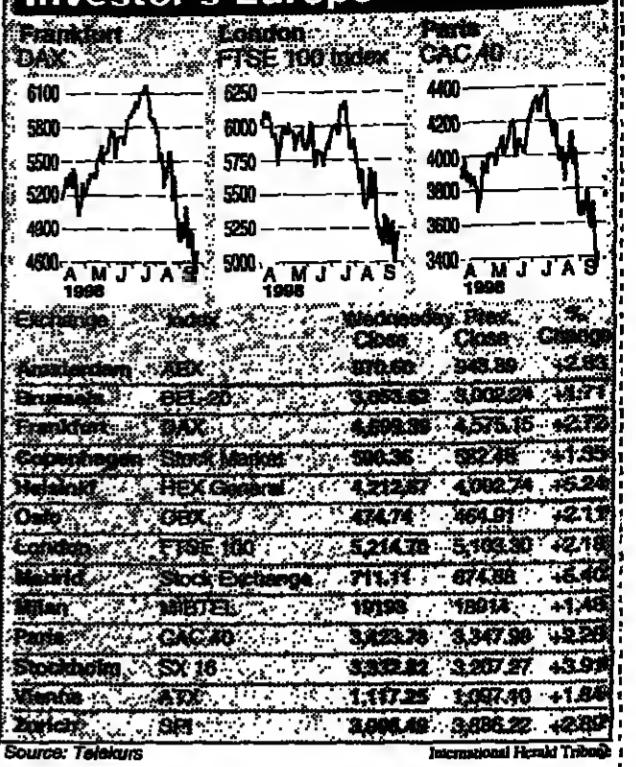
Bertelsmann also said it would begin on-line book sales in October in the United States, Germany and France. The company's on-line service will work with Havas SA in France and other partners in other countries.

"We will do this together with partners so that the start-up costs for Bertelsmann will probably be around 500 million marks in a four- to five-year period," said Siegfried Luther, Mr. Luther declined to comment on speculation that the company could form a partnership with Amazon.com Inc., an Internet book retailer, or the on-line business of Barnes & Noble Inc.

The book clubs in Europe cost Bertelsmann 200 million DM.

(Bloomberg, Reuters, AP)

## Investor's Europe



Source: Telekurs

## WORLD STOCK MARKETS

Wednesday, Sept. 23

Daily prices in local currencies.

Amsterdam

AMX index: 974.00

High: 979.00

Low: 971.00

Close: 974.00

Prev. 974.00

Change: +3.00

Per cent: +0.31%

AMX

AMRO

AS

AZ

BNP

BS

CB

CM

DS

ENCI

EP

ES

EWI

FB

FN

GI

GI</p

**Wednesday's 4 P.M. Close**

The 2,600 most traded stocks of the day.  
Nationwide prices not reflecting late trades elsewhere.  
*The Associated Press.*

12 Month High	Low	Stock	DN	YM	PE	Noddy	1000000000	Low/Lated	Chg	
									High	Low
4270	120	Baldwin	20	14	6	4271	140%	124	140%	+14%
2292	214	Baldwin	20	13	6	2293	140%	214	214%	+14%
2294	140	Baldwin's	14	13	12	2295	140%	140	214%	+14%
2556	150	Baldwin's	24	23	17	2557	150%	150	214%	+14%
4474	1000	Banff	26	23	17	2558	150%	150	214%	+14%
574	56	Banff	16	-	-	2559	150%	56	56	+14%
2115	474	Banff-OG	-	-	-	2560	150%	7	56	+14%
3416	1200	Banff's	48	13	12	2561	150%	1200	3416	+14%
6224	2334	Banff's	57	23	12	2562	150%	2334	3416	+14%
2293	2200	Banff's A	48	13	12	2563	150%	2200	3416	+14%
5574	1114	Banff's B	56	23	12	2564	150%	1114	3416	+14%
1776	7	Banff-Duch	152	23	12	2565	150%	7	56	+14%
700	340	Banff-Duch	152	23	12	2566	150%	340	56	+14%
164	736	Banff's F	-	-	-	2567	150%	736	736	+14%
35	174	Banff-Flower	300	-	-	2568	150%	300	214%	+14%
3474	174	Banff's G	300	-	-	2569	150%	300	214%	+14%
5594	2004	Banff's H	-	-	-	2570	150%	2004	214%	+14%
278	24	Banff's I	-	-	-	2571	150%	24	214%	+14%
1574	150	Banff's J	-	-	-	2572	150%	150	214%	+14%
1114	105	Banff's K	-	-	-	2573	150%	105	214%	+14%
1874	150	Banff's L	-	-	-	2574	150%	150	214%	+14%
1079	74	Banff's M	48	13	12	2575	150%	74	56	+14%
974	56	Banff's N	48	13	12	2576	150%	56	56	+14%
976	56	Banff's O	48	13	12	2577	150%	56	56	+14%
2074	224	Banff's P	48	13	12	2578	150%	224	56	+14%
2744	1994	Banff's R	48	13	12	2579	150%	1994	56	+14%
1214	84	Banff's S	1,440	72	12	2580	150%	84	56	+14%
3416	1200	Banff's T	48	13	12	2581	150%	1200	56	+14%
5574	1114	Banff's U	48	13	12	2582	150%	1114	56	+14%
1776	7	Banff's V	48	13	12	2583	150%	7	56	+14%
10	774	Banff's W	48	13	12	2584	150%	774	56	+14%
916	74	Banff's X	48	13	12	2585	150%	74	56	+14%
974	56	Banff's Y	48	13	12	2586	150%	56	56	+14%
716	74	Banff's Z	48	13	12	2587	150%	74	56	+14%
1114	150	Banff's AA	48	13	12	2588	150%	150	56	+14%
1574	150	Banff's BB	48	13	12	2589	150%	150	56	+14%
1114	105	Banff's CC	48	13	12	2590	150%	105	56	+14%
1874	150	Banff's DD	48	13	12	2591	150%	150	56	+14%
1079	74	Banff's EE	48	13	12	2592	150%	74	56	+14%
974	56	Banff's FF	48	13	12	2593	150%	56	56	+14%
976	56	Banff's GG	48	13	12	2594	150%	56	56	+14%
2074	224	Banff's HH	48	13	12	2595	150%	224	56	+14%
2744	1994	Banff's II	48	13	12	2596	150%	1994	56	+14%
1214	84	Banff's JJ	48	13	12	2597	150%	84	56	+14%
3416	1200	Banff's KK	48	13	12	2598	150%	1200	56	+14%
5574	1114	Banff's LL	48	13	12	2599	150%	1114	56	+14%
1776	7	Banff's MM	48	13	12	2600	150%	7	56	+14%
10	774	Banff's NN	48	13	12	2601	150%	774	56	+14%
916	74	Banff's OO	48	13	12	2602	150%	74	56	+14%
974	56	Banff's PP	48	13	12	2603	150%	56	56	+14%
976	56	Banff's QQ	48	13	12	2604	150%	56	56	+14%
2074	224	Banff's RR	48	13	12	2605	150%	224	56	+14%
2744	1994	Banff's SS	48	13	12	2606	150%	1994	56	+14%
1214	84	Banff's TT	48	13	12	2607	150%	84	56	+14%
3416	1200	Banff's UU	48	13	12	2608	150%	1200	56	+14%
5574	1114	Banff's VV	48	13	12	2609	150%	1114	56	+14%
1776	7	Banff's WW	48	13	12	2610	150%	7	56	+14%
10	774	Banff's XX	48	13	12	2611	150%	774	56	+14%
916	74	Banff's YY	48	13	12	2612	150%	74	56	+14%
974	56	Banff's ZZ	48	13	12	2613	150%	56	56	+14%
2074	224	Banff's AA	48	13	12	2614	150%	224	56	+14%
2744	1994	Banff's BB	48	13	12	2615	150%	1994	56	+14%
1214	84	Banff's CC	48	13	12	2616	150%	84	56	+14%
3416	1200	Banff's DD	48	13	12	2617	150%	1200	56	+14%
5574	1114	Banff's EE	48	13	12	2618	150%	1114	56	+14%
1776	7	Banff's FF	48	13	12	2619	150%	7	56	+14%
10	774	Banff's GG	48	13	12	2620	150%	774	56	+14%
916	74	Banff's HH	48	13	12	2621	150%	74	56	+14%
974	56	Banff's II	48	13	12	2622	150%	56	56	+14%
2074	224	Banff's KK	48	13	12	2623	150%	224	56	+14%
2744	1994	Banff's LL	48	13	12	2624	150%	1994	56	+14%
1214	84	Banff's MM	48	13	12	2625	150%	84	56	+14%
3416	1200	Banff's NN	48	13	12	2626	150%	1200	56	+14%
5574	1114	Banff's OO	48	13	12	2627	150%	1114	56	+14%
1776	7	Banff's PP	48	13	12	2628	150%	7	56	+14%
10	774	Banff's QQ	48	13	12	2629	150%	774	56	+14%
916	74	Banff's RR	48	13	12	2630	150%	74	56	+14%
974	56	Banff's SS	48	13	12	2631	150%	56	56	+14%
2074	224	Banff's TT	48	13	12	2632	150%	224	56	+14%
2744	1994	Banff's UU	48	13	12	2633	150%	1994	56	+14%
1214	84	Banff's VV	48	13	12	2634	150%	84	56	+14%
3416	1200	Banff's WW	48	13	12	2635	150%	1200	56	+14%
5574	1114	Banff's XX	48	13	12	2636	150%	1114	56	+14%
1776	7	Banff's YY	48	13	12	2637	150%	7	56	+14%
10	774	Banff's ZZ	48	13	12	2638	150%	774	56	+14%
916	74	Banff's AA	48	13	12	2639	150%	74	56	+14%
974	56	Banff's BB	48	13	12	2640	150%	56	56	+14%
2074	224	Banff's CC	48	13	12	2641	150%	224	56	+14%
2744	1994	Banff's DD	48	13	12	2642	150%	1994	56	+14%
1214	84	Banff's EE	48	13	12	2643	150%	84	56	+14%
3416	1200	Banff's FF	48	13	12	2644	150%	1200	56	+14%
5574	1114	Banff's GG	48	13	12	2645	150%	1114	56	+14%
1776	7	Banff's HH	48	13	12	2646	150%	7	56	+14%
10	774	Banff's II	48	13	12	2647	150%	774	56	+14%
916	74	Banff's KK	48	13	12	2648	150%	74	56	+14%
974	56	Banff's LL	48	13	12	2649	150%	56	56	+14%
2074	224	Banff's MM	48	13	12	2650	150%	224	56	+14%
2744	1994	Banff's NN	48	13	12	2651	150%	1994	56	+14%
1214	84	Banff's OO	48	13	12	2652	150%	84	56	+14%
3416	1200	Banff's PP	48	13	12	2653	150%	1200	56	+14%
5574	1114	Banff's QQ	48	13	12	2654	150%	1114	56	+14%
1776	7	Banff's RR	48	13	12	2655	150%	7	56	+14%
10	774	Banff's SS	48	13	12	2656	150%	774	56	+14%
916	74	Banff's TT	48	13	12	2657	150%	74	56	+14%
974	56	Banff's UU	48	13	12	2658	150%	56	56	+14%
2074	224	Banff's VV	48	13	12	2659	150%	224	56	+14%
2744	1994	Banff's WW	48	13	12	2660	150%	1994	56	+14%
1214	84	Banff's XX	48	13	12	2661	150%	84	56	+14%
3416	1200	Banff's YY	48	13	12	2662	150%	1200	56	+14%
5574	1114	Banff's ZZ	48	13	12	2663	150%	1114	56	+14%
1776	7	Banff's AA	48	13	12	2664	150%	7	56	+14%
10	774	Banff's BB	48	13	12	2665	150%	774	56	+14%
916	74	Banff's CC	48	13	12	2666	150%	74	56	+14%
974	56	Banff's DD	48	13	12	2667	150%	56	56	+14%
2074	224	Banff's EE	48	13	12	2668	150%	224	56	+14%
2744	1994	Banff's FF	48	13	12	2669	150%	1994	56	+14%
1214	84	Banff's GG	48	13	12	2670	150%	84	56	+14%
3416	1200	Banff's HH	48	13	12	2671	150%	1200	56	+14%
5574	1114	Banff's II	48	13	12	2672	150%	1114	56	+14%
1776	7	Banff's KK	48	13	12	2673	150%	7	56	+14%
10	774	Banff's LL	48	13	12	2674	150%	774	56	+14%
916	74	Banff's MM	48	13	12	2675	150%	74	56	+14%
974	56	Banff's NN	48	13	12	2676	150%	56	56	+14%
2074	224	Banff's OO	48	13	12	2677	150%	224	56	+14%
2744	1994	Banff's PP	48	13	12	2678	150%	1994	56	+14%
1214	84	Banff's QQ	48	13	12	2679	150%	84	56	+14%
3416	1200	Banff's RR	48	13	12	2680	150%	1200	56	+14%
5574	1114	Banff's SS	48	13	12	2681	150%	1114	56	+14%
1776	7	Banff's TT	48	13	12	2682	150%	7	56	+14%
10	774	Banff's UU	48	13	12	2683	150%	774	56	+14%
916	74	Banff's VV	48	13	12	2684	150%	74	56	+14%
974	56	Banff's WW	48	13	12	2685	150%	56	56	+14%

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M.S.

**Tuesday's 4 P.M. Clock**

**Continued on Page 17**

هذا من الأصل

**NASDAQ**

**Wednesday's 4 P.M.**  
The 1,000 most traded National Market securities  
in terms of dollar value, updated twice a year.  
**The Associated Press.**

NYSE

**Wednesday's 4 P.M. Close**  
**(Continued)**





## NIGERIA: A FRESH START

### ABUBAKAR: ARCHITECT OF TRANSITION

**General Abdulsalami Abubakar** was virtually an unknown figure outside his own country until circumstances propelled him into the limelight. When General Sani Abacha, the former Nigerian ruler, died on June 8, not many knew the new man who was immediately sworn in to preside over Nigeria.

Yet General Abubakar, the new Nigerian head of state and commander in chief of the army, is not an outsider. A military professional who never ventured into politics, he has held prestigious positions in the army, rising to the rank of chief of defense staff and chairman, joint chief of staff of the armed forces in November 1993, when General Abacha became president.

Number three in the leadership hierarchy during General Abacha's tenure, he was an important member of the Provisional Ruling Council after having served as a member of the Armed Forces Ruling Council under the previous administration of General Ibrahim Babangida.

The post of the military leadership's second in command was vacant at the death of General Abacha, as its former occupant, Lieutenant General Oladipo Diya, was on death row for his alleged role in the aborted military coup attempt of December 1997.

With his unanimous election as the new head of state and chairman of the nation's highest lawmaking body, General Abubakar had come a long way. Born June 13, 1942 in Minna, the capital of the state of Niger, he completed his primary and high school education in Minna, Bida and Kaduna before enlisting in the Nigerian Army in 1963. His military training in Nigeria and elsewhere, notably the United States (1975-77 and 1981-82) enhanced his international perspective. He was part of Nigeria's contingent to the UN peacekeeping force in Lebanon in 1978-79 and has been active in the Committee of West African Chiefs of Staff, set up by the Economic Community of West African States to monitor peace and security in the region.

*The Nigeria you found when you came to power was a part of a state. How did it come to that?*

Our country found itself in that unfortunate situation by omission or commission. Problems started with the announcement of the 1993 presidential elections, where some people perceived that injustice had been done. There was also the Ogoni problem in the riverine oil production, where the world believed injustice was done. These and some other political and economic problems gave us a bad image.

*What progress has been made in your commitment to mend fences with countries that had shunned Nigeria?*

We have assessed our situation, in the understanding that no nation can live as an island, and have decided to open a window and try to address those issues that have been perceived as unjust. We have addressed the issue of human rights, released political prisoners, dropped charges on political issues and asked every Nigerian to come aboard to build a nation. On the Ogoni issue, we have asked that it be transferred from the tribunal to the ordinary courts. We have reviewed workers' salaries and approved a substantial increase to alleviate some of their problems.

*How is your democratization program related to this process?*

On assumption of office, we held a wide range of consultations with a broad spectrum of people, as a result of which we dissolved the former political parties, thereby

providing a level field for everybody to compete equally. I am happy to say that democracy is going on in full swing. Political parties are being formed; alliances are taking place within the political field. You will recall that on Aug. 11, I set up an independent electoral commission, which has already given out guidelines for political party formation and released dates for the different elections of our three tiers of government. Legal government elections will take place next December, state elections in January 1999 and the presidential elections in February 1999.

*Do you expect May 1999 to be the end of military rule in Nigeria?*

I would want to believe that both the military and civilians have learned their lessons. After May 1999, no military intervention will be tolerated.

*What is your message to foreign investors?*

We have said that we are privatizing 40 percent of our economy. Nigeria is endowed with a lot of resources, so any investment is bound to yield profitable results. So we are inviting them to come and join hands with us for mutually beneficial business relations.

*Will your current U.S. visit afford you an opportunity to talk to prospective investors?*

Yes, a team of experts is in my entourage for that purpose.

*Is your decision to attend the Francophone summit in France in October a continuation of the Abacha policy of rapprochement with the Francophone world?*

Yes, we are consolidating all the good policies of the previous administration, like Nigeria's relations with the Francophone world, which is good for Nigeria and her Francophone neighbors in the West African subregion. We shall continue to cultivate these relationships.

*Nigeria has been accused of imperialism in West Africa. What is your assessment?*

Again, this is an area in which the late General Abacha achieved a lot. Whatever perception had existed has changed by now, due to our very cordial relationship with our Francophone brothers and sisters. Some may see Nigeria as a senior brother, but we have no hegemonic ambitions.

We understand each other and are working together for the economic renaissance of our region.

*Nigeria has been criticized for exporting what it does not have — democracy — and importing what it has — oil. What is your reaction?*

These criticisms are no longer tenable. We faltered in the past, but we are now getting our act together. Democracy has come to stay in Nigeria, and we have now embarked on the repair of the refineries which caused the shortages. Besides, we are going to privatize oil services as part of our ongoing privatization policy.

*Shouldn't the international community lift sanctions as a reward for your efforts?*

Certainly, we have made progress. The problems of Nigeria are being better appreciated by the international community. I believe that all the problems that warranted all the bad blood, sanctions and bad relations between Nigeria and some countries no longer exist.

*Are you looking forward to returning Nigeria to the Commonwealth of Nations?*

Definitely, yes.



General Abdulsalami Abubakar: "Democracy has come to stay."

#### THE TEAM MEMBERS

These are the new members of the Federal Executive Council.

ALHAN GEDANO IBRAHIM: Secretary to the Government

ALHAN ABDOULLAH IBRAHIM: Attorney General/Justice

ALHAN ALFA WADE Agriculture

JOHAN MAGUDE: Minister of State, Agriculture

AVIM CANICE UMEWALIC: Communications

MAJOR GEN. PATRICK AZZEA: Commerce & Tourism

SAMUEL OLARIA ONE: Education

ALHAN SAKA SA'ADU: Minister of State, Education

MAJOR GEN. MAMAN KANTAGORA (RET.): Federal Capital Territory

A.D. OGUNYE: Minister of State, Federal Capital Territory

ALHAN ISMAILA USMAN: Finance

AKPAN WILSON ETUK-UDO: Minister of State, Finance

AMBASSADOR IGNATIUS OLISEMKA: Foreign Affairs

ALHAN BAHAR BALA: Minister of State, Foreign Affairs

PROFESSOR DEBO ADEYEMI: Health

ABUBAKAR ALLI: Minister of State, Health

JOHN NINA NWODO, JR.: Information & Culture

CHIEF ONIKEPO AKANDI: Industries

PROFESSOR MUZA YANJUB: Internal Affairs

EMANUEL UDODIE: Labor & Productivity

CHIEF RASHEED GIBADAMOSI: National Planning

BELLO SULEIMAN: Power & Steel

GODWIN OGBALA: Minister of State, Power & Steel

MAJOR GEN. SAM MOMANI: Science & Technology

PATRICK IBRAHIM YAKOWA: Solid Minerals

REAR ADMIRAL FESTUS PONDENG: Transport

ALHAN HAMEZA SAWWA: Water Resources

LARADA GAMBO ABDULLAH: Women's Affairs

MAJOR GEN. GARBA MOHAMMED: Works & Housing

AMBROSE FEENEY: Minister of State, Works & Housing

### ECONOMY: CONSOLIDATING THE GAINS

**Alhaji Ismaila Usman**, former deputy governor of the Central Bank, last year earned the displeasure of the Abacha administration for refusing to make irregular disbursements to key government officials. In August, he was appointed minister of finance — a testimony to the new government's commitment to transparency, probity and professionalism. Here, he speaks about new prospects for Nigeria.

*What was your assessment of the economy under Abacha?*

Talking of reality and not sentiments, the economic measures of the previous administration had good and bad sides. A lot was done to rationalize the economy, like some prudent measures to restore macroeconomic stability as well as financial and fiscal discipline, leading to a sharp decline in inflation.



A team for revamping Nigeria's economy (from left to right): Finance Minister Ismaila Usman, Central Bank of Nigeria Governor Paul Ogunye and Finance Minister of State Alpam Wilson-Etuk-Udo.

Also, the naira achieved exchange-rate stability.

The negative aspects included low investment and poor maintenance of infrastructure, coupled with the misappropriation of resources.

*What are the financial management priorities of this*

administration?

This administration came at a time of constrained economic growth, especially with the decline in oil prices. That and our short tenure notwithstanding, we are committed to the consolidation of macroeconomic structure, the continuation of fiscal discipline and the other good policies that have been in place from 1995, including the structural adjustment policy.

*How are your relations with international financial institutions?*

The September visit to Nigeria of Jean-Louis Sarbib, the World Bank's regional vice president for West and Central Africa, has been viewed by some as a signal of strengthening relations between our country and the Bretton Woods institutions. These relations have suffered in the recent past from stress. But, one should never forget that Nigeria has strived for a long period to maintain good relations with the financial community. Now, we are pushing our efforts to mend fences and normalize relations where they may have been weakened. But there is a lot the World Bank and the International Monetary Fund can do to assist developing countries and Nigeria is no exception.

*What are your strategies for attracting foreign investors?*

This administration has renewed interest in normalizing political and economic relations with all the important nations of the world. Efforts have been made to further open up the economy in order to attract foreign investors. Our economic, monetary and fiscal policies are geared toward that end, as well as toward the privatization policy, which we intend to pursue very vigorously. Additional incentives are also being put in place.

*What about the controversial dual exchange rate for the naira?*

With the rush, the number of trained bankers soon became inadequate, and the banking industry filled up with people who lacked proper training for the profession. A lack of professionalism, fraud, forgery and re-

lated white-collar misdemeanors invaded the sector.

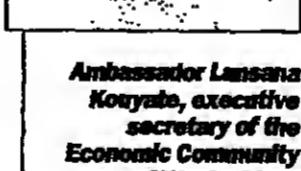
By 1992, the industry was in serious trouble. Banks had started to fail, as depositors could no longer obtain access to their money. The National Deposit Insurance Corporation (NDIC), the regulatory organ of the Central Bank of Nigeria, for all its efforts, appeared hamstrung in the face of the flood of mismanagement in the banking industry. Its attempts to prosecute erring banks hardly scratched the surface of the problem. Clearly, what was needed was a special measure to stem the tide.

That extraordinary measure was provided by the San' Abacha regime, with the enactment of the Failed Banks (Recovery of Debts) and Financial Malpractices in Banks Decree No. 18 of 1994. While most of those whose errors of omission or commission had brought chaos to the banking sector left the country (some using the troubled situation in Nigeria to declare themselves human-rights exiles), many others were apprehended, investigated and put on trial.

The expertise gap With the rush, the number of trained bankers soon became inadequate, and the banking industry filled up with people who lacked proper training for the profession. A lack of professionalism, fraud, forgery and re-

#### — IN HIS OWN WORDS —

#### On Abubakar And Regional Relations



Ambassador Lansana Kouyaté, executive secretary of the Economic Community of West African States

"I have known General Abubakar since long before he became head of state. We have sat together at several meetings on [the West African peacekeeping force] ECOMOG, especially when he was the chairman of chiefs of defense staff of the Economic Community of West African States. His major distinguishing factors, apart from his high intelligence, are his humility and patience with other points of view. I am not surprised that he has adopted his belief in consultations as a policy of government.



General Abubakar with Niger's President Ibrahim Bare Mainassara (left). Nigeria is cultivating Francophone countries.

### STABILIZING THE BANKING SECTOR

Strengthened measures will protect depositors and regulate the activities of the banks.

**T**he phenomenal multiplication of Nigerian banks in the late 1980s and early '90s, following the launching of the Structural Adjustment Program and the attendant liberalization of the financial sector, turned out to be a nightmare — not a blessing as Nigerians had expected.

This was predictable. The relatively lax conditions for the establishment of all sorts of banks — commercial, merchant, mortgage, community, people's — resulted in the unbridled mushrooming of these financial institutions.

The dual exchange regime, with its possibilities for corruption, further enhanced the appetite of prospective bankers, and overnight the banking industry became the sector to beat in the mad rush for easy money. Unfortunately, in most cases, it was other people's money that was at stake.

That extraordinary measure was provided by the San' Abacha regime, with the enactment of the Failed Banks (Recovery of Debts) and Financial Malpractices in Banks Decree No. 18 of 1994. While most of those whose errors of omission or commission had brought chaos to the banking sector left the country (some using the troubled situation in Nigeria to declare themselves human-rights exiles), many others were apprehended, investigated and put on trial.

Since then, many of these individuals have been tried, jailed or set free; a

large number of suspects are still being detained.

#### Continuing cleanup

To indicate his commitment to the continuing cleanup of the banking sector, Head of State Abdulsalami Abubakar has directed the law enforcement agencies to examine the cases of exiles to ascertain which of them have cases to answer to in relation to the provisions of the failed bank laws.

In response to that directive, the police have begun to publish names and photographs of "wanted persons," accompanied by their alleged offenses.

The ongoing release of these culprits is seen in Nigeria as an indication that General Abubakar is bent on intensifying the purge at the banks. Moreover, the NDIC is currently working to refund the initial insured sum of deposits to those who lost their funds in the 26 banks that have officially been liquidated and the others that are varying on their own.

In addition, the decision to return autonomy to the Central Bank will give it sharper teeth in its job as the watchdog of erring banks. ■

### INCENTIVES FOR INVESTORS

For foreign investors, Nigeria is offering new incentives in order to attract much-needed foreign capital into the country:

- A five-to-seven-year tax holiday for pioneer industrial companies establishing themselves in economically disadvantaged areas.

- A percentage of expenses on research and development are tax deductible.

- No tax on bank interest for goods manufactured for export.

- Dividend profits from oil sector companies are tax-free.

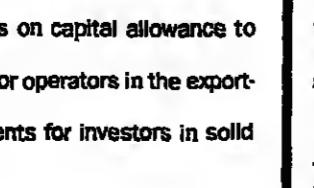
- Low tax rate of 20 percent awarded to small manufacturers for five years.

- Additional tax concessions for manufacturers who take initiatives in local raw material and infrastructure development.

- Absence of restrictions on capital allowance to manufacturing companies.

- Three-year tax holiday for operators in the export-processing zones.

- Deferred royalty payments for investors in solid minerals.

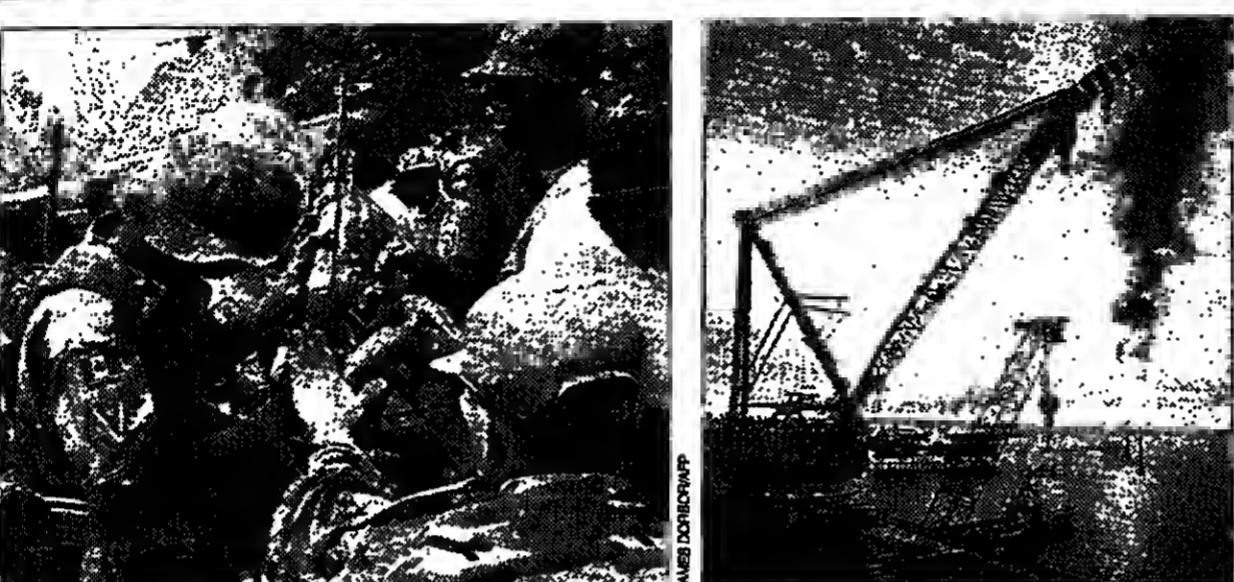


Jean-Louis Sarbib, vice president, Africa region, of the World Bank

SPONSORED SECTION

# NIGERIA: A FRESH START

In less than three months, following the death of its former ruler, General Sani Abacha, the most populous African nation has been experiencing dramatic change. Under the new head of state, General Abdulsalami Abubakar, the government has decided to move toward civilian rule, improve Nigeria's relations with the other countries of the world and create new business opportunities. General Abubakar's address to the UN General Assembly and his meetings with leaders in Africa, Europe and America signal the dawn of a new era in Nigeria—a case in point for the concept of African renaissance. Nigeria is feeling a new vitality as confidence returns to its commercial centers like Lagos, above. Right: West African peacekeepers in the force known as ECOMOG inspect weapons in Liberia. Far right: Nigeria's oil sector, the country's key industry, is being revamped.



## NIGERIA: FACTS AND FIGURES

### AREA

923,768 square kilometers

### POPULATION

110 million (1997 estimate)

### URBAN/RURAL BREAKDOWN

39% urban, 61% rural (1995 estimate)

### CAPITAL CITY

Abuja

### OTHER MAJOR CITIES

Lagos, Kano, Ibadan, Port Harcourt, Enugu, Onitsha, Abe, Jos, Benin, Sokoto, Maiduguri

### TIME

GMT+1 hour

### WEIGHTS AND MEASURES

Metric

### CLIMATE

Humid, tropical (rainy season is between May and October)

### TYPE OF GOVERNMENT

Military government; an ongoing transition program will end military rule on May 29, 1999

### NUMBER OF STATES

36

### LANGUAGES

English is the official language. Pidgin is widely spoken and is the popular form of communication among the urban and semiurban populations of the southern parts of the country. Other languages are Hausa, Yoruba, Igbo, Fulani, Kanuri and Tiv

### ETHNIC GROUPS

More than 250 ethnic groups with distinct cultures and languages. Principal ethnic groups are Hausa, Igbo, Yoruba and Fulani. Others include Ibibio, Kanuri, Edo, Tiv, Ijaw, Idoma and Nupe

### RELIGIONS

48% Islam, 46% Christian (including Catholics, Anglicans, Methodists and Pentecostal denominations), 6% traditional animist religions

## A CHANCE FOR A TRUE DEMOCRATIC TRANSITION

*Nigeria's new regime is matching deeds to words.*

Since coming to power as Nigeria's 11th head of state since independence in 1960, General Abdulsalami Abubakar has broken new ground in the leadership annals of his nation.

With the release of more than 100 political prisoners who had been languishing in jails and detention centers, a pledge to respect human and other fundamental rights of citizens, and the inauguration of the shortest and most realistic program of transition to civil rule ever in Nigeria, he is well on the way to making history.

What is more, his overtures to the international community have been warmly accepted by the United States, Britain and other major nations.

A country of more than 110 million people, Nigeria is endowed with an abundance of human and material re-

sources. While these assets might have ensured it a comfortable place among the nations of the world, political instability and the fractured economic policies brought about by years of military rule deprived it of the opportunity to achieve progress and prosperity. Most important, military rule denied Nigeria's people—made up of more than 250 ethnic groups with their own distinct cultures and languages—the right to govern themselves.

In the 38 years since Nigeria's political independence from Britain, the military has ruled for 28 years. While military rule may have succeeded in recording a significant level of infrastructure development and in welding the often-contending ethnic groups into a national entity—it even had to deal with the 1967-70 civil war



General Abdulsalami Abubakar has promised return to civilian rule by May 29, 1999.

— it has, nevertheless, produced a legacy of political instability, human rights abuses and inconsistent economic and investment policies.

The people's wish for democratic government was repeatedly ignored as the different military administrations went back on their promises to return to the barracks.

Apart from General Olusegun Obasanjo, who willingly handed over power to a democratically elected government in 1979, no other military leader in Nigeria kept the promise of voluntarily relinquishing power to the electorate.

With the annulment of the free and fair 1993 presidential elections won by the late Moshood Abiola, the military leadership under General Ibrahim Babangida seemed to have bitten off more than it could chew. The civilian population, whose compliance the military had long taken for granted, reacted in a variety of unprecedented ways that brought the nation to the point of anarchy. Not even the high-handed approach of the late Sani Abacha leadership could completely douse the movement toward democratic ideals. The stage was set for a showdown.

The resulting sociopolitical turmoil, repression, human-rights abuses, civil resistance and curtailment of basic freedoms, coupled with the doubtful transition program of the last five years of Nigeria's history, also brought the country to the forefront of international disapproval.

It was during this period that Nigeria was ostracized from the Commonwealth and was kept at arm's length by several leading nations, former friends and erstwhile business partners. Nigeria became an international pariah, in spite of the strides it had taken in fostering international

peace and stability, as evidenced by its achievements in helping to bring about peace and democracy in Liberia and in restoring democracy in Sierra Leone.

The arrival of General Abdulsalami Abubakar at the helm of national leadership after the death of General Sani Abacha in June 1998 ushered in a new era. He demonstrated his commitment to national and international reconciliation through the decision to restore the basic freedoms that had been denied to Nigerians.

**Within a short period, General Abubakar has done much to convince the people that he can make a difference**

A new atmosphere Trust in the sincerity of Nigeria's new leader has moved the political class to embrace once again the military administration's program of transition to civil rule, the many disappointments of the past notwithstanding. While the socioeconomic problems of the past have not suddenly been whisked away, Nigerians of all persuasions seem prepared to give the new regime a chance.

Within a short period, General Abubakar has done much to convince the Nigerian people, through word and deed, that he can make a difference. •



Nigeria's role in the region has been recognized by its neighbors. Photographed in Abuja, from left to right: Tejan Kabbah, president of Sierra Leone; Kofi Annan, UN secretary-general; General Abdulsalami Abubakar, Nigeria's head of state; and Charles Taylor, president of Liberia.



Traditional cultures: dancers from the state of Ondo.

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Abdou Diouf, president of the Republic of Senegal

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"The freeing of some political prisoners, the prospect of the transfer of power to civilians in May 1999 and efforts to get the Nigerian economy back on its feet are all measures that I greet with enthusiasm."	think that, having won renown for its capacity to resolve conflicts (Liberia, Sierra Leone and Guinea-Bissau), West Africa can better devote itself to its other priorities: development, peace and regional integration.
"Like many friends of Nigeria, I was saddened by its relative marginalization in recent years. All the more so because this had negative consequences for the undertaking of causes dear to all the countries of West Africa."	"Nigeria's contribution will not be unwelcome in these urgent struggles. That is why its revival, whose success I wish, is so close to my heart, as much for the people as for the leaders of West Africa."
"Now, with Nigeria on the path to national reconciliation, domestic stability and ethnic harmony, it is not too much to	"This healthy leap forward matters, indeed, to the whole of our African continent."

## — IN HIS OWN WORDS — On Nigeria's Renaissance

## RESTORING HUMANITY

## NIGERIA: A FRESH START

### DEMOCRACY IN NIGERIA: A SOFT LANDING

**S**ince 1985, Nigerians have been given seven dates for the termination of military rule: 1990; 1992; 1993; March 1, 1994; January 1, 1996; October 1, 1998 and May 29, 1999, the last being the date named by the government of General Abdulsalami Abubakar, who took office on the death of General Sani Abacha on June 8, 1998.

General Abubakar seems determined to give democracy a soft landing on May 29 next year. He has set up a new electoral commission and deliberately named it the Independent Electoral Commission [INEC] to emphasize the government's desire not to interfere with its independence.

He has promised that election monitors will be invited from the United Nations, the Commonwealth and the Organization of African Unity. He has appointed men and women of integrity to the electoral commission and has urged them to do their work without fear of interference.

The government is also embarking on economic reforms, privatizing



Ray Eku, a former editor of several newspapers, is the chief executive of Nigeria's leading news magazine, *Newsweek*.

such public utilities as telecommunications, electricity and refineries to improve efficiency.

Workers' salaries in the public sec-

tor have been raised, and trade unions freed from the shackles of the past. Contracts that had hitherto been awarded under the table will now be subject to open, competitive tendering.

With these gestures of humane and responsible governance, the country's image is beginning to take on a new hue. The thrust of General Abubakar's speech before the UN General Assembly is that Nigeria has left its dark past behind.

As the saying goes, "old habits die hard," so to turn things around and build a new culture of tolerance, accountability and transparency, all Nigerians need a debriefing through public enlightenment.

The military and civil society must come to terms with the fact that democracy is the only choice we have. And if the electoral commission lives up to its billing by conducting free, fair and credible elections, then democracy is sure to have a soft landing in Nigeria on May 29 next year.

Ray Eku



Nigerians will be exposed to more balanced media coverage as opposition publications regain their voice.

### THE RETURN TO PARTY POLITICS

More than 20 associations out of the more than 92 groups that had aspired to become political parties in Nigeria had succeeded by early September in meeting the Independent National Electoral Commission's deadline. Those that fulfill the non-stringent conditions set down by INEC will be given provisional registration to enable them to enter the local government election in December. Final recognition and registration will depend on their performance.

Their journey down the road of yet another transition program began with the unfolding of the new administration's sociopolitical agenda in General Abdulsalami Abubakar's televised nationwide address on July 20. Following extensive consultations with different interest and pressure groups in the country, the government had come to the realization that Nigerians were unanimous in their desire to have the military relinquish power and return to its

traditional martial role. Unlike his predecessors, who bought time to justify their long transition programs, General Abubakar surprised even the bitterest critics of military government by announcing the shortest transition program in Nigeria's history, to terminate after a mere 10 months, on May 29, 1999.

#### International observers

The most striking feature of the program is that for the first time, there will be an independent electoral commission to register parties and voters and organize all the elections, which will be observed by international bodies. A retired judge, the Honorable Justice Ephraim Akpata, has been named to lead a team of eminent and experienced men and women to make up the independent commission.

General Abubakar has not been unaware of the political problems of the recent past, notably a widespread feeling that political organizations were being marginalized.

The new dispensation, therefore, is to be all-inclusive and carry no strings.

To ensure this, the head of state announced the termination of all cases pending against political detainees and exiles, and invited the latter to return unconditionally to participate in the nation's search for a new direction.

He also disbanded all the previous government-sponsored political parties, which had been famous for their lack of independence. In addition, he sacked all those who had been elected in the polls conducted under the controversial earlier transition program, in order to create a clean slate for the new program.

As a result, politicians have been returning to the scene.



New political parties will participate in three elections this year.

### TOWARD HEALING AND RECONCILIATION

The new head of state has already made significant gestures of goodwill to Nigerians.

**O**n coming to power, General Abdulsalami Abubakar was confronted by an angry nation. His predecessor, General Sani Abacha, had kept everyone guessing about the real direction and destination of his transition program, fostering frustration with the system that manifested itself in the emergence of apparently irreconcilable differences in the country.

Urban terrorism and bombings, interethnic feuds, calls for the breakup of the country and defamation of the nation's name and image by exiles and their collaborators abroad became the symptoms of a nation yearning for reconciliation.

#### Release of prisoners

The immediate conciliatory gestures of the new head of state were both appropriate and necessary. General Abubakar lost no time in announcing the release of political prisoners, including the former head of state, General Olusegun Obasanjo, who was serving a life sentence following his conviction in 1995 by a military tribunal for complicity in a coup d'état. Also set free were journalists and other individuals serving sentences in prisons and detention centers across the country for political reasons.

These gestures, and the pledge that never again would any Nigerian suffer pain or deprivation for his beliefs, convictions or lawful associations, established an environment of reconciliation in the country. General Abubakar's efforts to free M.K.O. Abiola from detention were not allowed to come to fruition, however.

The presumed winner of the 1993 election, whose case was at the root of the political problems of Nigeria, was on the verge of being released when death struck before the eyes of some top American officials visiting the country.

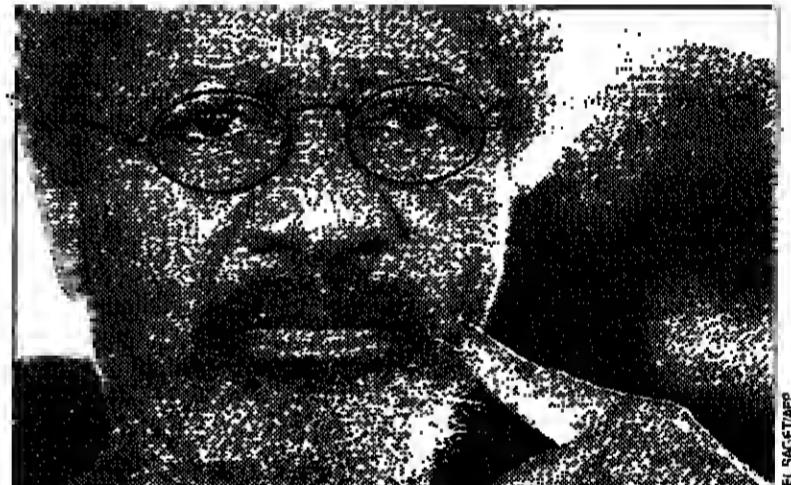
It was General Abubakar's reconciliatory consultations with all shades of opinion in the country following this event that formed the basis of the sociopolitical and economic package he later revealed to Nigeria. His olive branch to all exiles and activists — especially to the National Democratic Al-

liance, regarded as the institutionalized opposition to the military — was accepted with warmth. His visits to hitherto "no-go" areas like Lagos (where he paid a condolence visit to the Abiola family), Ibadan and other hotbeds of opposition have shown him to be unique in the annals of Nigerian leadership.

#### The climate of change

General Abubakar's mission has been so successful that today Abuja, which used to be avoided by many, has once again become a Mecca for Nigerians. Perhaps one of the most significant proofs of General Abubakar's capacity for reconciliation is that, on Sept. 7, at his press conference in Abuja, among the journalists who posed what would have in the recent past been regarded as "unacceptable" questions were representatives from the opposition newspapers and magazines.

At the urging of the new administration, one of these editors had just returned from self-imposed exile; another had been released from detention. General Abubakar listened to their questions with attention and answered them with a confident smile. ■



All charges against Nigeria's Nobel Prize-winning political exile Wole Soyinka have been dropped.

### RESTORING HUMAN RIGHTS

Political detainees and others have already been released.

In the past, Nigeria and the international community were brought onto a definite collision course over the issue of human rights and the perception that Nigeria had fallen far short of expectations in the way it had infringed on the rights of its citizens.

The climax of this international dispute came in 1995, with the execution of the writer Ken Saro-Wiwa and eight other Ogoni activists after having been found guilty of murder by a tribunal. The world was outraged that the Ogoni 9 were not allowed the right to appeal, which the tribunal had prescribed before hangings.

The "Ogoni judicial murder," as it was described by former British Prime Minister John Major, resulted in Nigeria's suspension from the Commonwealth and subsequent isolation from the international community.

Business, investment and Nigerian pride suffered as all manner of sanctions were applied to the nation. Meanwhile, scores of political opponents, critics, human-rights activists, journalists and others were held without trial or forced into exile.

#### About-face

The government of General Abdulsalami Abubakar has changed all that. One of General Abubakar's first actions was to release those being held without trial or detained under the draconian Decree Number Two, which stipulates that anybody can be held at the whim of the powers that be, without trial and without being informed of the reason for incarceration. His administration has embarked on the task of amending or repealing all such laws that made it possible for the rights of Nigerians to be violated.



The release of scores of political prisoners has improved Nigeria's record on the issue of human rights.



Alhaji Banjanga Tukur, a leading Nigerian politician and a prominent member of the Peoples Democratic Party

### — IN HIS OWN WORDS — On Democracy

"This time around, the transition is real. General Abubakar has shown Nigerians another dimension in leadership. I trust his pledge to hand over power on May 29, 1999 to a democratically elected government. No other Nigerian military leader has been so transparently explicit."

"Already, two major political parties have emerged, cutting across regional, ethnic and religious boundaries. This is a good development which will lead to genuine democracy. We trust Abubakar."

### TRANSPARENCY: A PREREQUISITE FOR PROGRESS

Incentives have been put in place to increase official accountability.

**O**ne of the greatest inhibitors of foreign investment in Nigeria is the belief that the transparency of public officials has been in a progressive decline. Some prospective investors have been discouraged from even entering the country. The new government of Nigeria, well aware of these widely held impressions, has set about combating them.

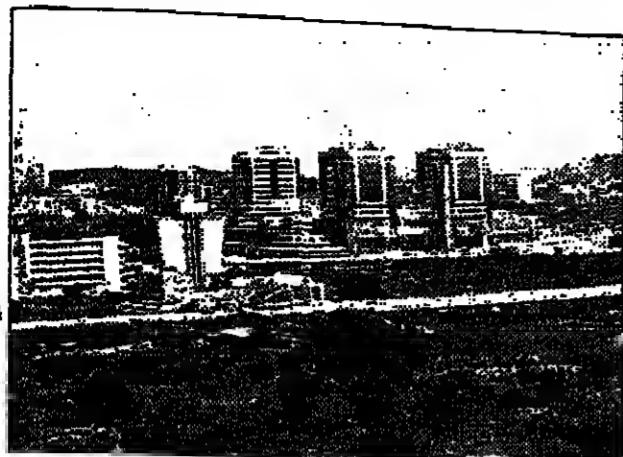
From the onset of his administration, General Abdulsalami Abubakar has embarked on probes into areas of corruption that have had a negative impact on the image of the nation.

"We have been engaged in investigating the conduct of certain departments of government in the disbursement and application of public funds," the head of state recently told journalists. He has also indicated that the losses were mostly incurred through the embezzlement of amounts advanced for abandoned or over-invoiced contracts, and that a special account now exists at the Central Bank for recovered funds.

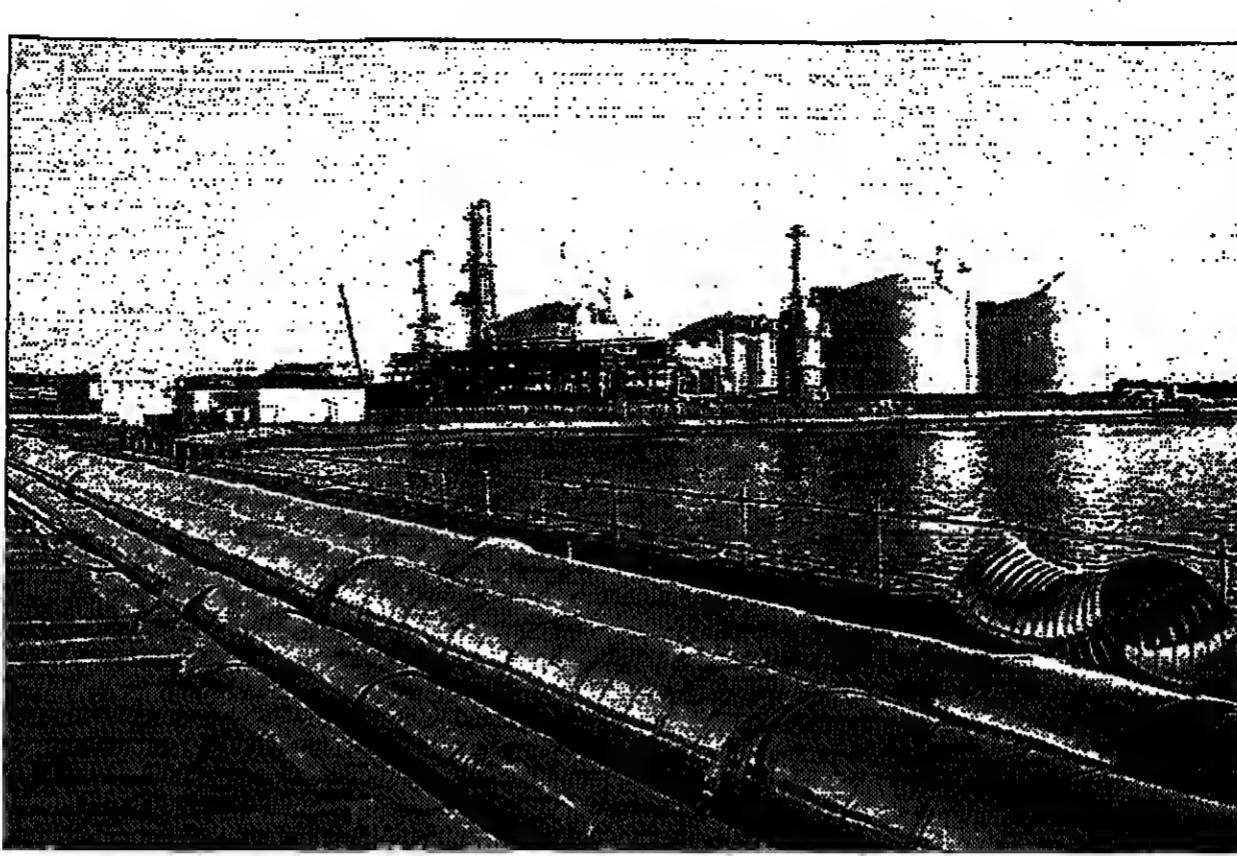
On coming to office, General Abubakar gave a strong indication that he would return the nation's public life to the path of probity and transparency. He is fulfilling that pledge with great single-mindedness. He has also made clear his understanding that one of the major factors leading public servants into temptation was their progressively dwindling pay packets, which have been hardly enough to take care of their most basic requirements.

The recent increase in the remuneration of public servants by a whopping 300 percent should go a long way toward removing the temptation to mismanage public funds. ■

# \*NIGERIA: A FRESH START



The new NNPC headquarters in Abuja.



## ENERGY SECTOR HOUSECLEANING

*Wholesale reform is crucial to the oil sector, the mainstay of Nigeria's economy.*

Common sense might have told successive Nigerian governments to take extreme care of the energy sector, which is the proverbial goose that lays the nation's golden egg.

This, unfortunately, has not been the case in the industry that accounts for more than 90 percent of Nigeria's income. The sector has been riddled with abuses, so much so that the world's sixth-largest producer of oil cannot find fuel for its domestic use, refineries have been left in a state of disrepair and the oil export market has become a matter of come-one-come-all.

General Abdulsalami Abubakar has taken steps to end this state of affairs. Early in his administration, he met with the major operators in the country's energy industry and involved them in the importing of refined fuel for domestic use, pending the completion of maintenance work on the country's refineries.

### New ground rules

Late last July, the government released new guidelines for the removal of crude oil from Nigeria. Henceforth, any of the four categories of companies that are qualified to remove crude oil must have a minimum turnover of \$100 million or a net worth of not less than \$40 million. The four categories consist of upstream investors who have acquired an Oil Prospecting License and who must have completed a minimum amount of work on a concession, companies that own export refineries in Nigeria, bona fide end-users that own a refinery and retail outlets abroad, and established and globally recognized large-volume traders.

These categories of companies, which should manifest a commitment to the well-being of the national economy, will be required to pay a nonrefundable sum of \$100,000 for a term contract or \$10,000 for a single bid.

These measures, aimed at reintroducing rationality to

the nation's all-important petroleum sector, were followed by the scrapping of the Ministry of Petroleum, which in the view of the government had aided unbecoming activities in the sector.

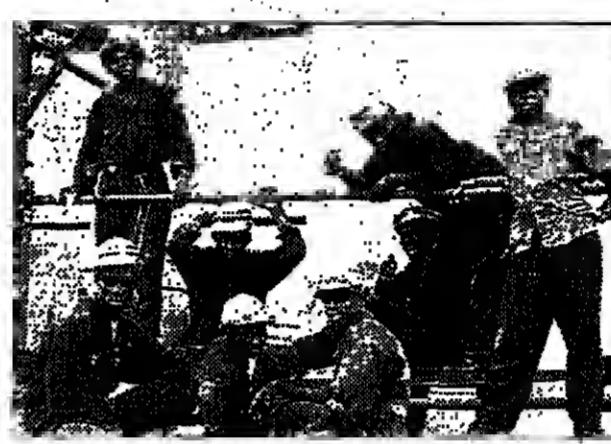
### Fundamental reorganization

The head of state has said that his administration has embarked on a fundamental economic revitalization program, an important aspect of which is the reorganization of the energy sector. General Abubakar said: "This is aimed at reducing the span of control in the Nigerian National Petroleum Corporation, creating an independent commission to regulate and monitor the petroleum sector, and the appointment of a special adviser on energy" to coordinate the activities of the NNPC and the independent commission.

"Our objective is to make the sector more effective and responsive to the needs of the Nigerian economy," he explained, adding that with the scrapping of the Petroleum Ministry, he would for the moment personally oversee the activities of the former ministry, while the permanent secretary would be responsible for the day-to-day administration of its activities.

The administration clearly recognizes the pivotal role of this sector of the economy and does not intend to relax its vigilance over it. This, no doubt, is why one of the first acts of the administration was to pay the outstanding \$630 million on NNPC cash-call obligations to joint-venture operations with major oil companies.

General Abubakar also promised that the government would adopt measures to permanently eliminate the cash-call problem. As if in response to these revolutionary measures, one of the major companies involved in joint-venture operations has announced that it will start exporting Nigerian gas this month. •



The oil industry accounts for 90 percent of Nigeria's income.



Road improvement is at the top of the public works agenda.

## — IN HIS OWN WORDS — On the Economy



Jean-Louis Sarbib,  
vice president,  
Africa region,  
of the World Bank

"Nigeria has the potential to be Africa's 'economic giant.' Its size, its great economic capacity, its rich natural resource endowment and its talented human resources give it great promise. The Nigerian economy could also be the locomotive that pulls the other economies of West Africa."

"Nigeria is now in a period of transition in both the political and economic realms. This has rekindled hope. The World Bank is ready to help Nigeria succeed at this crucial moment. My recent visit has given me

the opportunity to see the determination of the government and the economic team to address fundamental policy and development issues. It also helped me measure the enormous challenges that are the consequences of years of economic mismanagement."

"I was encouraged by recent developments, and we are hopeful that continued progress will allow us to find ways in which the World Bank can help the administration meet these challenges and achieve its economic objectives."

## GETTING INDUSTRY BACK TO WORK

*One of the priorities of the new government is to get the industrial sector back on a viable course.*

Nigeria's industry is in need of reviving, not only in order to provide employment for the population, but also to diversify the nation's income base.

It has become clear that for these twin objectives to be achieved, the industrial sector must be freed from government control and the private sector made the engine of growth.

Accordingly, the new administration in Nigeria has decided that one of the most critical developmental issues in Nigeria today is the need for policies that will enhance an efficient, competitive and diversified industrial base.

As Nigeria's experienced minister of industries, Onikepo Akande, stresses: "Nigeria should become the leading industrialized nation in Africa, exerting great influence in the world economy."

**Millennium vision**  
A member of the committee of Nigerians who fashioned the Vision 2010 blueprint for socioeconomic development into the next millennium, she says that the impetus of privat-sector participation, coupled with a substantial capacity for ex-



Onikepo Akande, minister of industry.

ports of manufactured goods."

The present administration is determined to vigorously pursue the objectives of the new Industrial Policy, which is in tune with its liberalization policy. The government says that every possible avenue will be explored to ensure the participation of the private sector.

"The main focus of the policy," says Mrs. Akande, a Harvard-trained chartered accountant, "is the disengagement of the government from all activities that are strictly private sector-oriented, while playing the role of a facilitator by concentrating on the provision of the incentives, policy and infrastructure necessary to allow the private sector to play the new role ascribed to it."

**Increased efficiency**  
The basic objective of the privatization and commercialization policy options adopted by the Abubakar government is to increase the efficiency, performance and cost-effectiveness of industry.

Mrs. Akande hopes that Nigeria will be producing a significant proportion of goods and services for its people and the markets of the Economic Community of West African States in the short run, and for the world before the year 2010.

**Spreading the word**  
During his meetings with key Western businesspeople in Europe and America, Nigeria's head of state is promoting new industrial opportunities as well as informing them of the giant strides that have already been made to provide incentives and the efforts to create a more climate for investors in the industrial sector.

As Mrs. Akande points out: "With all these measures in place, coupled with our abundant natural and human resources and the committed concern of the present administration, we shall be able to propel our industrial development to a greater height. Our resolve, therefore, is to be able to move the Nigerian nation forward to better living conditions for our people and ultimately to become the first 'African Tiger.'"

## ECONOMIC BASICS

EMPLOYMENT BREAKDOWN	
47% services; 46% agriculture, forestry and fishing;	7% industry
<b>Major Exports</b>	
Petroleum, cocoa beans, rubber, urea and ammonia, fish and shrimp, textiles, cotton	
<b>Major Imports</b>	
Machinery and transportation equipment, manufactured goods (mostly iron and steel, textiles and paper products), chemicals, food products	
<b>Major Trading Partners</b>	
United States, Germany, Britain, France, Spain, the Netherlands	
<b>Currency</b> : Naira (100 kobo = one naira)	
<b>Exchange Rate</b> : 85 naira = \$1	

## NIGERIA: A FRESH START

### FOCUS ON ABUJA, A SYMBOLIC CITY

*The new Federal Capital Territory has become the pulse of the nation.*

Frustrated with their chaotic capital, Lagos, Nigerians elected to abandon it for a more serene, ordered and original capital. This was how the idea of Abuja was born in 1976, under the regime of Major General Murtala Muhammed, who was assassinated four days after signing the legal instrument for the establishment of the Ahuja Federal Capital.

Nigerians had set out to build a new capital on near-virgin land, away from the geopolitical control of any of the country's three major ethnic groups. The idea was that Abuja would be the center of national unity, a symbol of the excellence of Africa's most populous nation. Those aspirations were thus in the forefront on Oct. 1, 1982, when President Shehu Shagari celebrated the national day in Abuja, launching the development of what was expected to be one of the best-planned, most beautiful cities in the world.

A great impetus for the development of Abuja was the relocation of the seat of government from Lagos to the new capital on Dec. 12, 1991, by the then-military president, General Ibrahim Babangida. Thereafter, Abuja grew by leaps and bounds, sometimes at the expense of other areas that made demands on the nation's resources.

What was important to Nigerians, however, was that the new capital stood out in its modernity and resplendence. Nigerians were proud

that they had a city that could be likened to a paradise, where power outages, water shortages, traffic jams and crime were practically nonexistent.

Then, in the last four years, things went astray. The gains were reversed as Abuja fell on difficult days. Instead of being a city tailored to grow in conformity with a carefully thought-out and prepared master plan, the city fell into the hands of administrators who distorted the plan for untoward reasons. Expansion stalled, with the attendant overburdening of infrastructure and utilities.

When General Abdulsalam Abubakar came on the scene, he vowed that this trend had to be reversed. That vow was dramatized by the appointment of a man who is reputed for "righting wrongs," no matter how far down the drain the situation had gone. The retired army general Maman Kontagora was the man General Abubakar chose for this rescue mission.

Before coming on board as the new minister of the Federal Capital Territory, Major General Kontagora was engaged in rescuing the fortunes of Ahmadu Bello University from social, economic, academic and political difficulties.

Major General Kontagora has set out on his job with characteristic single-mindedness. He has vowed publicly "to sanitize Abuja" by clearing away all the distortions to which the city had been subjected. ■



Top, the marketplace in Abuja; above, a political rally takes place in the federal capital.



Nnamdi Chiegbo, operations engineer for a major oil company in Lagos

### — IN HIS OWN WORDS — On Business

"Before Sani Abacha died, business was very slow. The change in government has undoubtedly opened doors. The government no longer owes its own part of its commitment, notably in the oil sector."

"General Abdulsalam Abubakar has met with the chief executive officers of



Nigerians cheer their team through its victorious World Cup opening match against Spain.

### SPORTS MOVES IN A NEW DIRECTION

*Some of Nigeria's most visible natural resources are its sports figures and teams.*

**N**igerians have become so accustomed to the social and political advantages of sports that it is easy to forget that sports—especially soccer, in which the nation has become a giant—has become one of the world's biggest businesses.

Sports is one of Nigeria's great unifiers, and during its darkest diplomatic hours, it was sports that held out a flicker of hope for world recognition and acclaim. In the spirit of the new era in Nigeria, with its emphasis on private-sector initiative and the concomitant policies of privatization and commercialization, the economics of sports is getting prominent attention.

The minister of sports and youth development, retired Air Commodore Emena Omeruah, says: "It is Stone Age thinking to persist in the belief that the government should continue to shoulder the burden of sports in Nigeria."

While negotiating deals:

- It is quite normal and "Nigerian" for your host to offer to pay for your meals and entertainment, or even your hotel bills. You might hurt his self-esteem if you turn down such offers. You might even ruin the deal.
- Never negotiate with or patronize nonregistered airport operators. They might be cheaper, but...

While negotiating deals:

- Arrange to be met by business partners, travel or hotel staff, or friends and relations. First-time visitors may be surprised by the noisiness of Nigerian international airports in contrast to what the visitor is used to in other countries. Never engage in negotiations with the "good Samaritans" who frequent the arrival points of airports.
- Make hotel reservations before arrival (especially in Lagos, Abuja and Port Harcourt). Most of the good hotels can arrange for your transport from the airport. Some of the local airlines op-

erate shuttle services running from the airports to the major hotels and to the city center.

On arrival at the airport:

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Air Commodore Emena Omeruah, minister of sports and youth development.

of the Under 21 World Cup tournament it is playing host to early next year. He attributes this to the involvement in sports by the government, where the profit motive is hardly emphasized.

He is nevertheless confident that Nigeria's preparations for the youth soccer tournament are proceeding space. The stadium preparation and refurbishing are on course. "What is left is the finalizing of arrangements for the communications infrastructure, like the Outside Broadcasting vans and other facilities," he says.

While the minister has preparations for next year's All African Games in South Africa in motion by inaugurating its management body, he is concerned that Nigeria is still under sports sanctions from the countries of the European Union.

"We have opened up to the world; the world should also open up to Nigeria," he says. ■

Traditional canoes are used by all ages in Ogoniland, in the Niger Delta.

### TRAVEL TIPS FOR VISITING NIGERIA

*The following suggestions can make business trips to Nigeria run more smoothly.*

**U**nder the new government's liberalization, more business visitors are expected in Nigeria. Prospective visitors to the country should note that:

• A visa is required for all categories of visitors apart from citizens of the Economic Community of West African States member countries, who can stay for up to 90 days without visas. Visa applications from Nigerian missions abroad will be facilitated if the applicant arrives with a letter of application. Preferably, a copy of the letter should also be faxed to the mission by your prospective host.

• An international vaccination certificate (or Yellow Card) is also required, even though it may not have been required the last time you went to Nigeria.

• There is no restriction on the amount of foreign currency that may be brought into or taken out of the country.

provided an adequate declaration is made with Customs at the entry/exit port. Also, in the effort to combat money laundering, authorities might require Central Bank authorities to be notified if sums in excess of \$10,000 are being transferred. Procedures should be quick, polite and hassle-free.

Before arrival in Nigeria, visitors should:

- Arrange to be met by business partners, travel or hotel staff, or friends and relations. First-time visitors may be surprised by the noisiness of Nigerian international airports in contrast to what the visitor is used to in other countries. Never engage in negotiations with the "good Samaritans" who frequent the arrival points of airports.
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Nigerian Augustin Okocha, a star player for the Paris Saint-Germain soccer team.

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NIGERIA: A DIPLOMACY

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## NIGERIA: A FRESH START

### DIPLOMACY: COMING IN OUT OF THE COLD

*The foreign affairs minister is making international rapprochement a priority.*

**W**hen General Abdulsalami Abubakar made up his mind to woo back the confidence of the international community, he chose as foreign affairs minister one of the nation's most experienced and persuasive diplomats. Ignatius Olofemeka, a two-time permanent secretary of the Foreign Ministry and the nation's former envoy to Kenya, Spain, the United States and Israel, was General Abubakar's man for the task of fence-mending.

The former dean of the diplomatic corps in Israel has few illusions about the challenges facing the administration in the international arena, especially in terms of reconciliation. He says: "We are faced with the challenge of pursuing a broad policy of government, ensuring the success of the transition program and making a positive impact through a policy of domestic reconciliation as the head of state has embarked upon, in order to expand it to a policy of reconciliation with the broader international community."



General Abubakar with President Nelson Mandela of South Africa. A new access to the rest of Africa is in the making.

Ambassador Olofemeka's reasoning is that when things are out of alignment at home, "the influence is felt abroad." Now that the Abubakar administration has decided to get the nation back on an even keel by reconciling Nigeria to the world, Ambassador Olofemeka hopes that "the world will reconcile itself with us." On the issue of human rights, which has been one of the biggest bones of contention, Ambassador Olofemeka points out that there is evidence for the world to see, drawing attention to the visible, verifiable and phenomenal steps that have been taken in that direction. "Some people have even started wondering whether we have not gone too far, too soon," he says.

#### Facing the world boldly

The diplomat says that since Nigeria's foreign policy has always been geared toward the pursuit of its strategic interests, it should continue to face the world as boldly as it has always done, "clearly demarcating who our friends and basic interests are."

That General Abubakar is succeeding in his rapprochement policy is evidenced by his two visits to South Africa in August, where, according to the foreign minister, President Nelson Mandela accorded General Abubakar a warm reception in Pretoria.

"We saw the noble gesture by Mandela manifested when he addressed the Parliament; we also saw it shown in the mutual willingness of both leaders to renegotiate issues of mutual interest to the Southern Africa Development Committee and the Economic Committee of West African States," he says.

He also drew attention to Mr. Mandela's gesture of singling out General Abubakar at the Nonaligned Movement summit in Durban for commendation for his courage and wisdom in positively transforming Nigeria's situation.

Following General Abubakar's positive steps to correct the errors of the past, Ambassador Olofemeka is convinced that the time has come for Western nations' sanctions against Nigeria to be lifted. "We have been engaged in dialogue with a number of Western leaders," he says, adding that Canada, which was one of Nigeria's critics, had met with the Nigerian authorities and decided to restore diplomatic ties. "There is a lot of goodwill for us, but for sanctions to be lifted, there must be formalities," he adds.

As for Nigeria's foreign policy priorities, he says, "We have to continue to correct the errors of the past to enable Nigeria to stand tall and proud again in the community of nations, within the framework of ECOWAS, the Orga-



Nigeria is on the road to reclaiming its place on the international stage.

nization of African Unity and the UN as a leading black and African nation."

That is why, according to him, Nigeria is discussing the issue of a permanent Security Council seat for Africa with other African nations with great interest.

To him, it is only logical that if the UN demands democratization from its member nations, it should also reform itself by democratizing its institutions. "We have a stake in the UN reforms and in adequate and equitable representation for our continent," he declares.

#### United States visit

He is equally encouraged by the visit of Nigeria's head of state to the United States, during which the foreign minister hopes significant progress will be made in the ongoing fence-mending between the two countries. This visit is a breakthrough, considering that since 1984 the United States has denied visas to Nigeria's four previous leaders.

"We are expecting to discuss a lot of issues of mutual interest with the Americans," says Ambassador Olofemeka, adding that he hopes the issues of sanctions, drug de-certification, civil aviation and foreign investment will form the kernel of the discussions. •



These Nigerian soldiers will soon be returning to the barracks.



Foreign Minister Ignatius Olofemeka

### PROVIDING A WELCOME BOOST FOR COMMERCE AND TOURISM

*Nigeria hopes to attract not only more investors but more vacationers as well as it reviews its policies in these areas*

In spite of the many salient articles from the "capitalist manifesto" that have been injected into Nigerian business statutes on commerce and industry, foreign investors have not streamlined. Rather, because of the uncertainty and instability brought about by the political situation over the past several years, the more optimistic investors merely sat on the fence and adopted a wait-and-see attitude. The less optimistically inclined packed up and left.

Chief Kola Daisi, the national president of the Ni-

gerian Association of Chambers of Commerce, Industry, Mines and Agriculture, recently lamented this trend, but was certain that "the new, positive steps taken by the federal government will not only stem the divestment tide, but will also place the country back on the list of investment-friendly nations."

**The extra mile**  
The NACCIMA president, like his counterparts in the other areas of commerce, are hoping that the Abubakar administration will go the extra

mile in encouraging commerce and tourism, whose enormous potential has not yet been realized.

The general expectation is that with the reposting of Patrick Aziza, a serving army general, from communications to the commerce and tourism ministry, the administration intends to instill a new sense of vigor in the sector.

Nigerians expect that within the short life-span of the present administration, the Export Processing Zone in Calabar will be completed and commissioned. It is also

expected that port reform measures will remain, and that the new administration's pledge that goods at the ports should be cleared within 48 hours will soon become a reality.

Nigerians are hopeful that the good intentions stated in regard to tourism development over the years will be translated into action. It is therefore pertinent that the private sector, which has been afforded a lot of leeway in the new economic and business order, is coming to better grips with its own responsibilities in the develop-

ment of commerce and tourism in the country.

#### Getting the word out

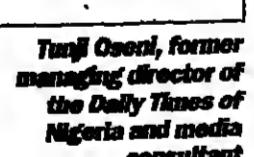
Given that there is still much to be done in the area of infrastructure and telecommunications, the private sector is currently doing some soul-searching. Paul Onyian, vice president of Nigeria Hotels Association, argues that "lack of adequate promotion and marketing, rather than infrastructure, is the bane of the tourism industry" in the country.

He points out that even those African, Caribbean and

Asian countries with less-developed infrastructures still attract more tourists to their countries.

One prominent Nigerian writer on tourism expects the new minister to spend less time at his desk than his predecessors and do more on the ground. For, according to Joseph Adebayo: "This is a rare opportunity for General Aziza to etch his name in gold during his brief stay, by not relying only on the briefs of officials alone, but by making sure physical tours of our destinations are carried out." •

#### — IN HIS OWN WORDS — On Emerging Nigeria



Tunji Osoai, former managing director of the Daily Times of Nigeria and media consultant

"General Abdulsalami Abubakar's two successive visits to South Africa, his address to the United Nations and the contact with the international media illustrate that there could be sufficient goodwill to refurbish the luster of economic diplomacy."

"The military administration should, however, do nothing to

shake Nigerians' resolve about their commitment to their democratic pledge. A turnaround from pariah status can translate for Nigeria into investments, international goodwill and cooperation. A lot will depend on how Nigeria uses the opportunities that are now knocking."

### NEW TACK FOR INFORMATION

*Government information is on the way to becoming a two-way street.*

After John Nnoli, Jr. was sworn in as the new information and culture minister, he promised the nation a new deal in information management. Hitherto, Nigerians had become accustomed to the monologue that had been passed off as information.

Mr. Nnodo said that all that would change, and that he would henceforth not just "inform the people about the government," but would also "inform the government about the people." For him, the government was there for the people and not vice versa.

The minister, who comes from a political family and who served as aviation minister during the Second Republic of President Shehu Shagari, is not new to ef-

fective information management. Neither is he unaware of how far the power of honest, persuasive appeal to reason can go in achieving objectives.

If "the medium is the message," then General Abdulsalami Abubakar's choice of Mr. Nnodo as his chief spokesman and information manager in this era of national and international reconciliation is appropriate. Mr. Nnodo understands and empathizes with the members of the press, who are insisting that some curbing provisions must be expanded from the constitution, a measure that will soon be promulgated.

Faced with this man of dialogue, serving in a government that aims to fashion a new beginning, members of the media are confident

that they and the government will find a satisfactory meeting ground.

Mr. Nnodo's tenure will be challenged by the demands of external information management and by the need to employ the most up-to-date methods to market Nigeria to the world.

These challenges include equipping Nigerian information centers abroad with the most current information on Nigeria and the Economic Community of West African States, and improving the technological performance of the Nigeria Television Authority and the Federal Radio Corporation.

As a sign of the new times,

the information minister has already visited several media houses, including those banned in the past, and been welcomed. •

### ACTIVE STANCE FOR WOMEN

*Nigerian women are influencing the circumstances in which they live.*

In the past two centuries, visionary women political leaders well-known to Nigerians, like Queens Amina, Idia and Moremi, left indelible legacies on the political landscapes of their different kingdoms in what is now Nigeria.

Nigerian women have long been partners to their male counterparts in various socio-political causes. In 1929, Abuja market women confronted the assaults of colonial police while resisting the overtaxation of their husbands. Today, women are an indissoluble part of Nigeria's national history: Funmilayo Ransome-Kuti led and won the fight for women's voting rights in the early 1950s. Gambo Sawaba defied the restrictions of religious and cultural backgrounds, and Janet Mokbel and Margaret Elkpo were Nigeria's first two elected female legislators.

Local and global  
In more recent times, dynamic and visionary Nigerian women who have found themselves in leadership positions in business as well as government have been able to sustain this tempo of achievements, not only within the nation but also, and increasingly, on the international level. Many of them have distinguished themselves in sports and cultural activities, raising the profile of their country.

Yet in all these endeavors, the Nigerian woman has hardly departed from her primary and traditional role as tender of the family. If anything, she has successfully continued to redefine and expand the frontiers of the African family. This is the source of the Nigerian woman's realization that she should no longer be content merely with the articulation of social programs that are aimed at improving the lot of women and their individual households.

Long before the United Nations World Conference on Women in Beijing in 1995, Nigerian women had discovered the need to expand the frontiers of their activities in order

to achieve greater social relevance. In this way, programs like Better Life for Rural Women and the Family Support Program, initiated by two former first ladies and aimed at poverty alleviation and improving the lot of nuclear families, metamorphosed into programs with a larger geographical scope and significance.

Addressing the West African First Ladies Summit in Accra, the Ghanaian capital, on July 27, Nigeria's first lady, Fati Abubakar, a high court judge, recalled the genesis of this humanitarian initiative for peace on the continent and the pioneering role played by her predecessor, Maryam Abacha. Nigeria was host in 1997 to the first West African First Ladies Summit, which took important resolutions for the betterment of African women.

In this regard, Mrs. Abubakar pointed out that the first ladies' peace initiative had delivered relief aid and helped in the rehabilitation of refugees in different theaters of conflict on the continent. Nigeria's first lady assured the world that the Nigerian women would continue to lead their counterparts on the continent in heading the cries of victims of civil strife in Africa.

This concern for the victims of conflict on the African continent will be upheld by the continuing commitment of First Lady Fati Abubakar to this cause.

Noting the achievements of the initiative in such countries as Liberia, Sierra Leone, Congo, Angola, Somalia and the Great Lake region, Mrs. Abubakar pledged the Nigerian woman's "collective solidarity with the suffering women and children, as well as the thousands of displaced persons affected by civil strife."

She went on to invite all men and women of goodwill in Africa and around the world to "join us in this endeavor so that our suffering women and children in those countries may begin to regain their sense of dignity and self-worth." •



First Lady Fati Abubakar.

### USEFUL ADDRESSES

#### Bilateral Chambers of Commerce in Nigeria

c/o Clara Osunti  
AAPS Representative Office in Nigeria  
Hamburg House  
33/35 Martins Street  
P.O. Box 2382  
Lagos

**Headquarters**  
838 United Nations Plaza  
New York, NY 10017  
U.S.A.  
Tel.: (212) 947 5666

**Lagos Chamber of Commerce and Industry**  
Commerce House  
1 Idowu Taylor Street  
Victoria Island  
P.O. Box 105  
Lagos  
Tel.: (234 1) 613 898

**Manufacturers Association of Nigeria**  
MAN House  
77 Obafemi Awolowo Way, Ikeja  
P.O. Box 3835  
Lagos  
Tel.: (234 1) 967 482

**National Maritime Authority**  
Plot 1970 Michael Okpara Way  
Wuse Zone 5  
Abuja  
Tel.: (234 9) 523 7025

**The Chartered Institute of Bankers**  
PC 19 Adeola Hopewell Street  
Victoria Island  
P.O. Box 72273  
Lagos

**Nigerian National Petroleum Corporation**  
7 Koto Abayomi Street  
Victoria Island  
PMB 12701  
Lagos  
Tel.: (234 1) 269 0470 78

**Nigerian Enterprises Promotion Board**  
72 Campbell Street  
Lagos

**Nigeria Port Authority**  
26/28 Marina  
Lagos  
Tel.: (234 1) 260 0620 1, 263 1882

**Nigerian Shippers Council**  
Plot 51 Usama Street  
Maitama District  
PMB 296, Garki  
Abuja  
Tel.: (234 9) 523 0653

**National Insurance Corporation of Nigeria (NICON)**  
Plot 4 Star Close  
Off Herbert Macaulay Way  
Wuse Zone 4, PMB 5029  
Abuja  
Tel. & fax: (234 9) 523 7126 4

**Nigeria Deposit Insurance Corporation**  
447/448 Central Business District  
(Along Airport Road)  
PMB 284  
Abuja  
Tel.: (234 9) 523 7710  
Fax: (234 9) 523 6007

**Institute of Chartered Accountants of Nigeria (ICAN)**  
Plot PC 16 Idowu Taylor Street  
Victoria Island  
Lagos  
Tel.: (234 1) 261 4235

**Nigeria Telecommunications Limited (NITEL)**  
3/5 Tafawa Balewa Square  
Lagos  
Tel.: (234 1) 260 0770 9

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# Herald Tribune INTERNATIONAL SPORTS

THURSDAY, SEPTEMBER 24, 1998

## WORLD ROUNDUP

### Guidi Takes a Stage

**CYCLING** Fabrizio Guidi of Italy and the Polti team won the 18th stage of the Tour of Spain on Wednesday, his third victory in the 22-stage cycling marathon. Abraham Olano of Spain and the Banesto team remained the overall leader. Guidi covered the 223-kilometer (138-mile) flat run from the northern city of Leon, south to Salamanca, in 5 hours, 59 minutes and 40 seconds, winning the leg in a sprint finish.

With four stages to go, Olano remained 22 seconds ahead of Laurent Jalabert of France and the ONCE-Deutsche Bank team in the No. 2 spot. Olano also stayed 31 seconds ahead of his third-place Banesto teammate and fellow Spaniard, Jose Maria Jimenez. (AP)

(Lance Armstrong of the United States has battled back from cancer to compete in the Tour. Page 27.)

### Manchester Fans Unite

**SOCCER** More than 28,000 letters were mailed to Manchester United shareholders Wednesday as part of a campaign to stop the takeover of the club by Rupert Murdoch's British Sky Broadcasting Group.

The United board has accepted the proposed £623 million (\$1.04 billion) deal, which still needs approval of the club's shareholders and government regulators. A group called Shareholders United Against Murdoch has written to all registered shareholders urging them to oppose the deal.

Michael Crick, who started the campaign at a central Manchester post office, said: "We want to get one message across to the small shareholders: It's very important they do not accept this deal." (AP)

### Oldest of Old Timers Dies

**BASEBALL** Chet Hoff, known as Red, the oldest former major league baseball player, is dead at 107. Hoff was buried Tuesday in his birthplace of Ossining, New York.

Hoff was 2-4 with a 2.49 ERA in 23 games over four years in the majors. He signed with the New York Highlanders, who later became the Yankees, in 1911. (AP)

## For Griffey, 140 RBIs And Lofty Company

*The Associated Press*

Ken Griffey Jr. hit two home runs and joined Babe Ruth and Lou Gehrig as the only players to drive in 140 runs in three consecutive seasons as the Mariners downed the Oakland Athletics, 7-6, in Seattle.

Griffey, who has 140 RBIs, hit solo homers in the third and fifth innings to give him an AL-leading 55 homers.

### BASEBALL ROUNDUP

Seattle's Alex Rodriguez hit his 41st home run to set the AL record for home runs by a shortstop. He passed Rico Petrocelli, who hit 40 home runs in 1969.

Jamie Moyer (15-9) pitched six innings in the game Tuesday night, giving up nine hits and four earned runs while striking out nine. Mike Timlin pitched the ninth for his 18th save.

Red Sox 11, Twins 2 Host Boston broke out of a hitting slump and closed in on the AL wild-card berth, beating Tampa Bay behind Pete Schourek's first victory after more than six weeks with the Red Sox. Boston remained 3½ games ahead of Toronto, which beat Baltimore.

Blue Jays 7, Orioles 3 In Toronto, Jose Canseco set a new career high with his 45th and 46th home runs as the Blue Jays beat the Orioles. Canseco surpassed his previous career best of 44 in 1991 when he hit his 18th home run.

Vikings 10, Indians 4; Yankees 5, Indians 1 In New York, Hideki Irabu pitched eight strong innings, and the Yankees beat Cleveland to complete a sweep of a day-night doubleheader.

In the first game between the AL division champions, a rookie, Shane Spencer, hit two home runs for the Yankees. Spencer got two more hits in the second game as the Yankees improved to 10-48, tying the win total of the 1961 Yankee team, leaving them behind only the club mark of 110 set in 1927.

White Sox 4, Twins 1 In Minneapolis, James Baldwin came within three outs of his first career shutout and Chicago beat Minnesota for its fifth straight victory.

Tigers 14, Royals 4 Luis Gonzalez homered and drove in four runs, leading visiting Detroit over Kansas City. Gonzalez capped a four-run fourth inning with a three-run homer and added an RBI single in a four-run ninth.

Rangers 9, Angels 1 Rick Helling al-

lowed three hits in eight innings for his 20th victory as visiting Texas opened a two-game AL West lead.

Helling (20-7) allowed just two base runners over the first seven innings. He allowed just six balls out of the infield, while striking out five and walking none.

*In the National League:*

Expos 5, Mets 3 In New York, the Mets dropped back into a tie for the NL wild-card lead, blowing a three-run lead over the Expos on Orlando Cabrera's tie-breaking two-run single.

New York is tied again with the Chicago Cubs. Each team has four games remaining.

Cubs 5, Brewers 2 In Milwaukee, Sammy Sosa failed to close in on Mark McGwire in the home run race, holding at 63 — on Tuesday night. But he clubbed his 64th in the 5th inning on Wednesday against the Brewers.

Cardinals 4, Astros 0 Mark McGwire failed to add to his major league record 65 home runs, but Matt Morris recorded his first major league shutout as host St. Louis won its sixth in a row.

Braves 4, Marlins 1 Eddie Perez's solo home run gave the visiting Braves 208 homers this season, breaking a 32-year-old franchise record. Kevin Millwood (17-8) allowed one run and six hits in five innings. Kerry Ligenberg pitched a perfect ninth and became the first NL rookie to collect 30 saves since St. Louis' Todd Worrell in 1986.

Diamondbacks 8, Rockies 6 In Denver, Colorado's Mike Lansing hit three home runs, but Arizona's Karin Garcia hit two of the Diamondbacks five home runs. Devoo White, Kelly Stinnett and Travis Lee added homers for the Diamondbacks.

Phillies 10, Reds 2 Cincinnati's Todd Williams walked three batters in the top of the 11th inning to force in the go-ahead run for visiting Philadelphia.

Dodgers 3, Padres 2 In Los Angeles, Chan Ho Park scattered six hits in eight innings, and a rookie, Adrian Beltre, hit a three-run homer to lead the Dodgers.

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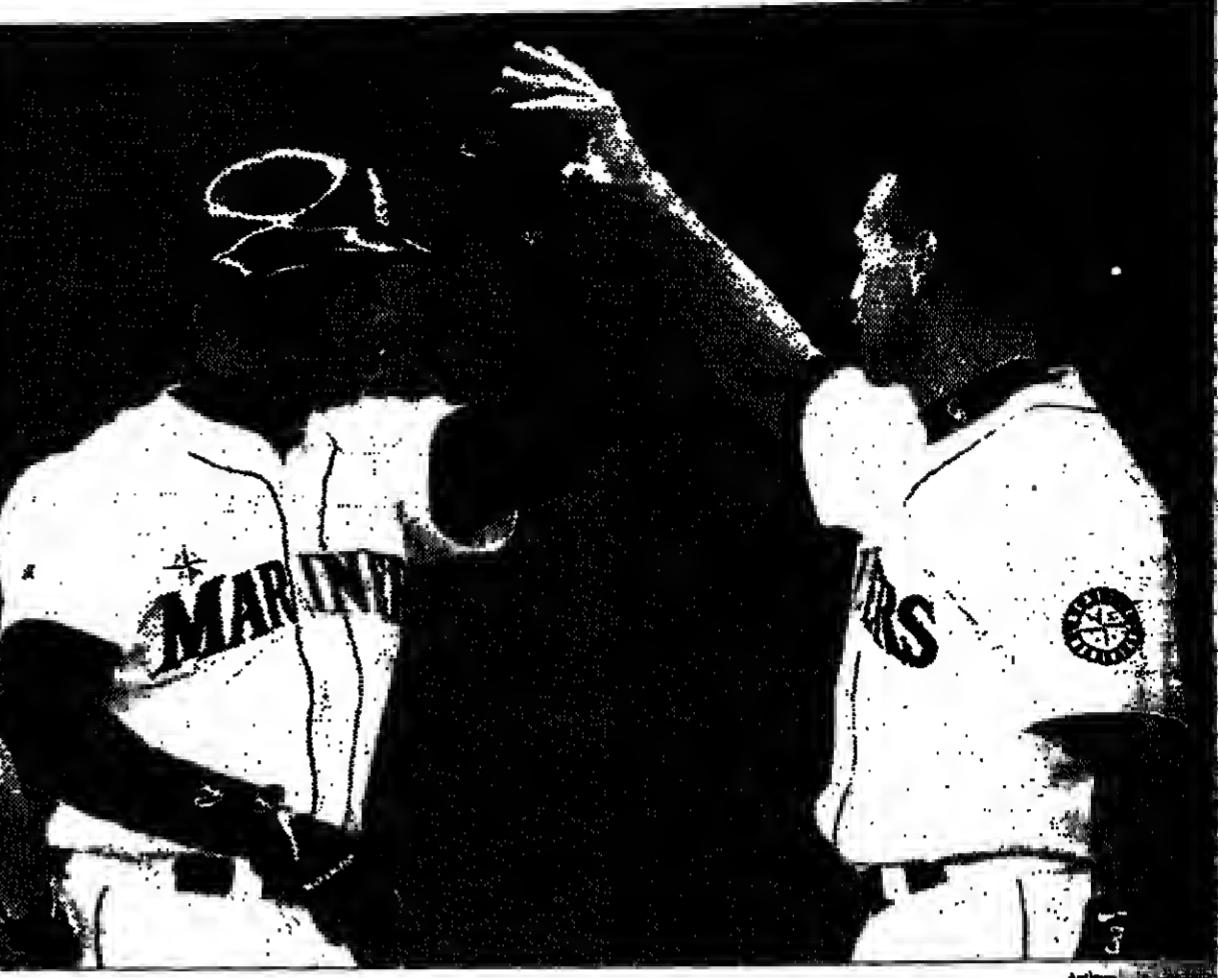
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Ken Griffey Jr. of the Mariners, left, getting a salute from teammate Alex Rodriguez after a home run in Seattle.

## McGwire and Sosa, This Bud's for You

### Vantage Point/DAVE ANDERSON

**M**ILWAUKEE — When the baseball commissioner's office was in New York, former commissioners from Ford Frick to Fay Vincent had lunch in their favorite fancy restaurants.

But on Tuesday, Bud Selig, the new commissioner, drove over to where he has had lunch for more than three decades: Gilles drive-in, the one with a neon "Frozen Custard" sign on the roof. The commissioner usually has a hot dog, but this time he ordered a grilled cheese sandwich with his usual Diet Coke. Along with a cheeseburger and a lemonade for his visitor, the bill was \$5.63.

Sitting in his black Lexus sedan, the commissioner was munching on his sandwich when several teenage boys, students at nearby Pope Pius XI High School, stopped by. Several said hello and one had a question.

"Is Sosa going to hit a home run tonight?" the boy asked.

"The Brewers' pitching hasn't been too good lately," the commissioner said, knowing that Sosa had already hit 10 homers against the Brewers. Then he laughed. "I can say that now."

He can say that now because, after nearly three decades, he is the commissioner instead of the Brewers' owner and president.

More important, Selig is the commissioner just like all those home run heroes. By Mark McGwire and Sammy Sosa have done for baseball after the 1994 World Series cancellation what all those home runs by Babe Ruth did for baseball after the 1919 Black Sox scandal.

"My father always told me that to be successful, you have to be lucky, too," Selig said. "And with McGwire and

Sosa we've been lucky. Not just because of the home runs, but because of how they've handled all this with such class and dignity and gracefulness."

Baseball would have been unlucky if, say, Albert Belle and Barry Bonds, both surly and starling, were hitting all these homers.

McGwire and Sosa, the magnets for a projected average attendance of 2.4 million for each major league team this season, established what Selig called a "focus on the field" rather than on labor strife. It was that divisiveness that led to Selig's becoming the acting commissioner before the owners voted him the title July 9.

"This generation lived through eight work stoppages in baseball, but the next generation can't have any stoppages," he said. "As heartbreaking as the cancellation of the 1994 World Series was, if we can avert that again in 2001, and I think we can, we will have learned a valuable lesson."

But can another labor dispute be averted? "I think it can. I have a lot of ideas I don't want to talk about yet," he said.

As the owner of the small-market Brewers, Selig solved one of the Milwaukee franchise's problems by putting together the financing for Miller Park, which will open in 2000 with a retractable roof and natural grass. As the acting commissioner, he had a reputation for quietly being able to persuade owners to solve bitter problems.

"John Fetzer, the 'Tigers' former owner, once told me, 'The best owners and commissioners are the ones you read about the least,'" Selig said.

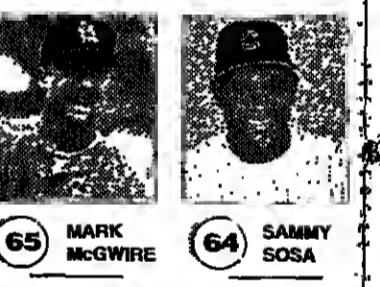
Perhaps with that in mind, Selig tends to remain in Milwaukee, where he has lived all his life, where he grew up rooting for the minor league Brewers before adopting the Braves when they moved here from Boston in 1953. He's still at his big, 10-story office in the Brewers' tiny offices, but he'll soon move into a new,委員會的辦公室 on Wisconsin Avenue downtown.

"I'll be in New York half the time, too," he said, alluding to Major League Baseball's headquarters there.

But when the new commissioner goes to those midtown Manhattan restaurants where all the other commissioners had lunch, he wo't be able to get by on \$3.63 for two.

### Home Run Derby

Home run tally for baseball's leaders, Mark McGwire and Sammy Sosa of the Chicago Cubs.



Hit a two-run home run vs. the Brewers on Sunday.

RC

### CROSSWORD

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## SPORTS

**Flo-Jo's Coach Says Initial Autopsy Could Not Determine Cause of Death**

By Jere Longman  
New York Times Service

**NEW YORK** — Authorities continued performing an autopsy to try to determine the cause of death of the 1988 Olympic sprint champion, Florence Griffith-Joyner, who did not wake from her sleep on Monday morning at her home in Mission Viejo, California.

Hector Rivera, a spokesman for the Orange County coroner's office, said that it was not uncommon for an autopsy to extend into a second day and that toxicology tests were routinely performed in a case of sudden or unknown death. The results may not be known for several days or several weeks, he said.

Bob Kersee, who coached Griffith-Joyner and was related to her by marriage, said at a news conference in Los Angeles on Tuesday that an initial autopsy did not determine the cause of death and that a more extensive autopsy was being performed.

Kersee also backed away from a

statement issued by a family spokesman on Monday that Griffith-Joyner was believed to have died from a heart seizure. "We have no idea why Florence was ill," he said.

"Her brother, Al Joyner, was married to Griffith-Joyner."

Griffith-Joyner had suffered a seizure two years ago while on a flight from California to St. Louis, Kersee said, and was taken to Barnes Jewish Hospital in St. Louis, where she underwent several tests. The doctors could not find anything wrong, and Griffith-Joyner was released the next day, he said.

Todd Cooper, a hospital spokesman, confirmed that Griffith-Joyner had been treated, but added that "her stay here was not related to any cardiac event or problem." He said he had no further information about Griffith-Joyner's symptoms or treatment.

Kersee said that Griffith-Joyner had suffered from exercise-induced asthma and migraine headaches, but not from heart problems. She reported being a

"little tired" on Sunday night, he said, but added that "there were no signs whatsoever that Florence was ill." He called her death a shock.

Because the autopsy report has not yet been issued, and because there is only scant public knowledge of the medical history of Griffith-Joyner and her family, doctors not involved in the case cautioned that it was premature to draw any conclusions about the cause of her death. They stressed that she could have had heart disease that had no connection to her past as an athlete, or that she could have died from some other cause, such as an aneurysm.

Doctors also said that rhythmic abnormalities in her heart could have caused electrical problems that would not be evident upon autopsy.

"Thirty-eight years old is a premature death, but the fact that one is an athlete doesn't make an individual immune from all the other ailments that befall mankind," said Dr. Gary Wadler, an internist and sports medicine expert who is an associate professor at the New

York University School of Medicine. Sudden death affects 200,000 to 400,000 Americans each year, according to a 1994 study published in the Journal of the American College of Cardiology.

Studies of athletes who die of cardiovascular reasons during exercise have generally shown that younger athletes tend to die from structural problems of the heart, cardiologists said Tuesday. The most common cause is hypertrophic cardiomyopathy, a thickening or enlargement of the heart muscle. Older athletes who die during exercise are more likely to have coronary artery disease, such as a narrowing of the arteries, cardiologists said.

At 38, Griffith-Joyner was in the middle range between young and old. And she died during her sleep, not during exercise. However, the causes of sudden death for athletes who are not exercising are "not dissimilar" to the causes for athletes who die during exercise, said Dr. Steven Van Camp, a San Diego cardiologist who conducted a 10-

year study of exercise-related deaths among high school and college athletes.

"I would anticipate a structural abnormality would be found in the autopsy," Van Camp said of Griffith-Joyner, basing his opinion on early reports that heart problems were suspected in her death.

Dr. Paul Thompson, a cardiologist who is president of the American College of Sports Medicine and director of preventive cardiology at Hartford Hospital, said he thought that scarring was found in Griffith-Joyner's heart muscle.

The question is, where did she get it?" he said. "Was it from an old heart attack? A hummed-out viral infection? Sometimes you never settle the question."

Because her record-setting performances at 100 and 200 meters were so stunning, Griffith-Joyner faced rumors and accusations from competitors that she had used such performance-enhancing drugs as steroids and human

growth hormone. But she did not fail any drug tests, she denied using drugs, and there is no evidence that she did.

Kersee dismissed such talk. "Tuesday" as jealousy on the part of other athletes. "In the sports world, unfortunately, athletes and organizations play the role of tarnishing people," he said.

Doctors cautioned that there is only theoretical evidence, not proof, that steroid use can increase the risk of heart disease by reducing the so-called good cholesterol, and by making an athlete more susceptible to plaque buildup and clotting in the arteries. In the absence of long-term studies, the evidence remains anecdotal and the scientific link remains tenuous, doctors stressed.

"I'm not convinced that anabolic steroids increase the risk of cardiac disease," Thompson said. The harmful effects of steroid use may be accentuated more in women than men, he said, but he added: "I think a connection to steroid use is impossible to prove. There are some theoretical connections, but the smoking gun is not there."



TENACITY IN TOKYO — Monica Seles volleying to Naoko Sawamatsu, whom she beat, 6-3, 3-6, 6-3, Wednesday in the 2d round of the Princess Cup.

**Armstrong, From a Long Way Back, Cycles Near the Lead**

By Samuel Abt  
International Herald Tribune

**PARIS** — Lance Armstrong has a new philosophy — finish what you start — and, he reports happily, it's working like a charm.

"Armstrong's the man of the year," says a longtime rival, Laurent Jalabert, the Frenchman who ranks first among the world's professional bicycle racers. After Armstrong finished sixth among 169 riders in a time trial 10 days ago, Jalabert added:

"He's come back from so far down that you can't help admire him."

"I'm pleased so far," Armstrong said on the phone from Spain, where, somewhat to his surprise, he ranks ninth overall in an extremely demanding three-week Vuelta a Espana,

or Tour of Spain. It ends Sunday in Madrid, and he has a chance of moving into the top five if he gets through two difficult days in the mountains Thursday and Friday and has another strong race against the clock Saturday.

"I'm doing pretty good and I feel very good," he said.

"After two weeks of a tour, I've never been top 10 before," he added. "I've never been in the front group in big climbs, so for me it's definitely a success."

The Texan, who turned 27 Friday, has come a long way in this comeback season from a year away from the sport while he was recuperating from testicular cancer that spread to his lungs and brain. After months of chemotherapy late in 1996, his cancer is in re-

mission and he feels fine.

"I wouldn't be here if I didn't," he said. His next checkup is scheduled in a few weeks, probably in Europe after his major goal of the season, the world championship road race in the Netherlands.

"He's been quite amazing," said Armstrong's director sportif with the U.S. Postal Service team, Johnny Wehrle. "He's better now than he was before he got sick. In this race, you've got most of the best climbers in the world. So if you're up there with them after two weeks of racing, it's because you're climbing very well yourself. It's amazing."

Armstrong brushed off speculation that he had planned to use the Vuelta as a training race for the world championship, dropping out

after two of the three weeks. "I was always planning on doing the full three weeks," he insisted. "After I came back to Europe in July, that was the only goal I set for myself: to finish every race I entered." He has, too, from a fourth place in the Tour of Holland to his record in the pack in the August one-day classics.

His new determination can be traced to the Paris-Nice race in March, where he dropped out on the first road stage after leading a long chase in cold and rainy weather. While Armstrong has not publicly explained his reasons for withdrawing and heading home to Austin, he did some soul-searching before he returned to Europe in June and won the Tour of Luxembourg and a minor race in Germany.

Citing the advice of his doctors, he did not compete in the Tour de France in July but continued training in the United States, where he won the Cascade Classic and rode a strong support race to a teammate, George Hincapie, finish first in the U.S. professional championship.

"At Paris-Nice, I really felt that I left a quitter and I didn't like that feeling," Armstrong said from Spain. "So I said to myself I can't put any pressure on myself to perform, but I have to finish."

Armstrong has already signed a contract to race again next year for U.S. Postal Service.

"I'm comfortable with this group," he said. "It doesn't have a lot of internal pressure." Otherwise, he is looking ahead only to his honeymoon, probably in the Caribbean late in the fall, which was delayed by his race schedule after his marriage in May.

His remaining races before the season ends late in October include Paris-Tours, the Tour of Lombardy and especially the world championship to the Netherlands on Oct. 11. The course, including 17 climbs of the tiring Cauberg hill, is considered to be tailored for strong riders.

"I've heard it's a good course for me," he said, "but I really don't know what's good for me or not. But I plan to be there and plan to finish."

**SCOREBOARD****BASEBALL****MAJOR LEAGUE STANDINGS****AMERICAN LEAGUE EAST DIVISION****SCHEDULE****CENTRAL DIVISION****SCHEDULE****WEST DIVISION****SCHEDULE****WORLD-CARD PACERS AMERICAN LEAGUE****AMERICAN LEAGUE****EAST DIVISION****SCHEDULE****CENTRAL DIVISION****SCHEDULE****WEST DIVISION****SCHEDULE****YANKEES LEADERSHIP AMERICAN LEAGUE****AMERICAN LEAGUE****EAST DIVISION****SCHEDULE****CENTRAL DIVISION****SCHEDULE****WEST DIVISION****SCHEDULE****MILWAUKEE BREWERS AMERICAN LEAGUE****AMERICAN LEAGUE****EAST DIVISION****SCHEDULE****CENTRAL DIVISION****SCHEDULE****WEST DIVISION****SCHEDULE****W-S PREDATORS AMERICAN LEAGUE****AMERICAN LEAGUE****EAST DIVISION****SCHEDULE****CENTRAL DIVISION****SCHEDULE****WEST DIVISION****SCHEDULE****ICE HOCKEY NHL PRESEASON****NHL PRESEASON****TOURNAMENT RESULTS****PRESIDENTS CUP****GOLF****TOURNAMENT RESULTS****SOCER****SOCCER****WORLD CUP****TRANSITIONS****RUGBY****NATIONAL BASKETBALL ASSOCIATION****DEALER-NAMED MIKE EVANS AND JOHN LUCAS, MIKE EVANS AND LOUISE DUMPLER ASSISTANT COACHES****FOOTBALL****NATIONAL FOOTBALL LEAGUE****GREEN BAY-WALTER TE ANTHONY MCKEEHNEY****JACKSONVILLE-WALTER DE LOMERANTZ****WILLIAMS****SAN FRANCISCO-STEVE RONALD KELLY AND DT ANGEL ROBERTS****SIGNED RB TONY KELLY AND DT PETER ROBERTS****WALSH-STEVE RONALD KELLY AND DT ANGEL ROBERTS****SIGNED DT ANGEL ROBERTS****WALTER KARL DAVID AKERS****COLLEGE****UNIVERSITY OF LOUISVILLE****TEAM****FROM PIASTRA TO GREGORY****FROM PIASTRA TO GREGORY**

